19 April 2017

REGISTRATION DOCUMENT

Pursuant to Article 5 (3) of the Directive 2003/71/EC and Section 12 (1) 3 German Securities Act (*Wertpapierprospektgesetz* or *WpPG*)

for

NORD/LB

Norddeutsche Landesbank Girozentrale
Hanover

(herein after also referred to as „**Norddeutsche Landesbank – Girozentrale –** “, “**NORD/LB**” or ”**Issuer**“)

English Language Version

Publication and Validity of Registration Document

This Registration Document is valid for a period of twelve months from the date of its approval and it reflects the status as of the date of this Registration Document.

This Registration Document has been published on the website (http://www.nordlb.de/kapitalmarktportal/registrierungsformulare/) of Norddeutsche Landesbank – Girozentrale – on the date of its approval.

Printed copies are made available for distribution free of charge to the investor. The printed versions are available on request during normal opening times at Norddeutsche Landesbank – Girozentrale –, Friedrichswall 10, 30159 Hanover.

Prospectuses, base prospectuses or other documents that constitute a complete prospectus together with this Registration Document will be made available accordingly.

This document complies with the requirements of a registration document for banks (Article 14, Annex XI of the Commissions Regulation (EC) No 809/2004). The content of this registration document may be incorporated by reference into Base Prospectuses. This registration document may be used for debt and derivative securities and those securities which are not covered by Article 4 of the Commissions Regulation (EC) No 809/2004.

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1.1. Risk factors

Prior to making any investment in securities issued under a base prospectus or any other prospectus into which the contents of this registration document has been incorporated by reference and/ or has become an integral part of the prospectus, potential investors should take into account the following description of risks relating to the Issuer and to the securities to be issued under the respective prospectus, by carefully evaluating all information. Investments in securities offered under any prospectus shall only be made after having taken full account of all relevant facts and risks relating to the particular securities and by carefully considering the following risk factors. Investors are advised to consult their bank or financial advisor prior to making an investment decision.

In addition, potential investors should be aware that the risks described herein may coincide and thus intensify.

1.1.1. Risk factors relating to the Issuer

*The risks factors relating to the Issuer set out below describe the material risks of Norddeutsche Landesbank – Girozentrale – as a financial institution on an unconsolidated basis and in its capacity as parent company of its fully consolidated subsidiaries being, inter alia, the following financial institutions: Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, NORD/LB Luxembourg S.A. Covered Bond Bank and Deutsche Hypothekenbank (Actien-Gesellschaft) (also referred to in this section as "**NORD/LB and its Subsidiaries**"). Norddeutsche Landesbank – Girozentrale – defines all relevant risks as being "material" which could have a negative impact on NORD/LB's resources, earnings, its liquidity position, financial situation or the achievement of its strategic goals. Such risks may limit the Issuer's ability to fulfil its obligations vis-à-vis investors under the Instruments.*

1.1.1.1. Overview of applicable risks

NORD/LB and its Subsidiaries are primarily exposed to the following types of risks:

(i) counterparty risk (credit risk and investment risk)
(ii) market-price risk;
(iii) liquidity risk and
(iv) operational risk.

Credit risk is a component of ***counterparty risk*** and is broken down into traditional credit risk and counterparty risk in trading. Traditional credit risk defines the risk of a loss when a borrower defaults or when their credit rating deteriorates. Counterparty risk in trading defines the risk of loss when a borrower or contract partner in trading transactions defaults or when their credit rating deteriorates. This is broken down into default risk in trading, replacement risk and issuer risk. In addition to the original credit risk, cross-border capital services involve settlement risk, country risk (transfer risk). This is the risk of a loss occurring as a result of overriding government barriers despite the ability and willingness of the counterparty to satisfy the payment claims.

Investment risk is also part of ***counterparty risk,*** and defines the risk of incurring losses when making equity available to third parties. A potential loss due to other financial liabilities is also part of the investment risk, unless it was taken into account in the other risks. In addition to the original investment risk, cross-border capital services also involve country risk (transfer risk).

Market-price risk is defined as the potential losses which may be sustained as a result of changes in market parameters. Market-price risk is sub-divided into interest-rate risk, credit-spread risk, currency risk, share-price risk, fund-price risk and volatility risk.

Liquidity risks are risks that can stem from disruptions in the liquidity of individual market segments, unexpected events in lending, deposit or issue business, or changes in own funding conditions. As part of the risk inventory for the overall risk profile, the sub-division of the liquidity risk was adjusted in the reporting year and now comprises two instead of three types of sub-risk. Traditional liquidity risk is unchanged, funding risk was replaced by the liquidity-spread risk. The consideration of market liquidity risks is implied based on the definition below. Accordingly, the liquidity risk is sub-divided into traditional liquidity risk (also including intraday liquidity risk) and liquidity-spread risk.

Operational risks are potential events, unintended from NORD/LB's perspective, which occur as a result of the inadequacy or failure of internal procedures, employees, technology or as a result of external influencing factors and result in a loss or have very negative consequences for NORD/LB. This includes legal risks, but not strategic risks or business risks.
In accordance with this definition, legal risks, risks due to a change in law, compliance risks, outsourcing risks, insourcing risks, conduct risks, fraud risks, model risks, IT risks and vulnerabilities in contingency and crisis management are included in operational risk, along with personnel risks. During the risk inventory carried out in the reporting year, insourcing risks and personnel risks were expanded, while dilution risk is no longer included.

In addition, ***reputation risk*** is a further relevant risk. It defines the risk of the Bank sustaining serious or permanent losses due to a loss of trust among customers/business partners, the general public, employees or the owners. Step-in risk is a subsidiary component of reputational risk. Step-in risk denotes the risk arising if a bank provides financial support to a company in financial difficulties without being contractually obliged to do so, or if such support exceeds an existing contractual obligation.

1.1.1.2. Specification of risks with regard to the Issuer

NORD/LB and its Subsidiaries are subject to significant counterparty and market price risks and such risks are exacerbated by periods of financial crisis, the shipping crisis and recession.

NORD/LB and its Subsidiaries are exposed to counterparty risk, *inter alia* to credit risk of third parties, primarily with regard to the traditional lending and deposit-taking business, but also, to a lesser extent, to non-traditional businesses such as derivative transactions, securities, owning securities of third parties, and other credit arrangements. This exposes them to the risk of counterparty defaults.

Furthermore, there is a risk for NORD/LB and its Subsidiaries that contractors fail to pay their contractual payment obligations. Even if customers are responsible for losses incurred by the acquisition of items on their own account, NORD/LB and its Subsidiaries may be exposed to other credit risks in order to protect themselves against these losses. It may also have a negative impact on the business of NORD/LB and its Subsidiaries, if customers suffer losses and lose confidence in the products and services of NORD/LB and its Subsidiaries.

Another form of credit risk is country credit risk in cross-border financial services and business activities. This risk is manifested when political difficulties and political instability in a country endanger or diminish the value of assets. Country credit risk applies to both the country concerned, if it is a contractual partner and contractual partners in general.

The ongoing economic and financial debt crisis in the European Union comprises a country credit risk for NORD/LB and its Subsidiaries, since it entails market uncertainty in several countries of the European Union.

The credit risk may also be manifested as settlement risk, which involves the possibility of a bank paying funds to its counterparty but failing to receive the corresponding settlement in return. NORD/LB and its Subsidiaries are exposed to many different industries and counterparties in the normal course of their business, but the exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include municipal savings banks, financial services firms, commercial banks, investment banks, mutual funds and other institutional clients. Many of these relationships expose NORD/LB and its Subsidiaries to credit risk in the event of default of a counterparty and to systemic risk affecting its counterparty. Where NORD/LB and its Subsidiaries hold collateral against counterparty exposures, they may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Moreover, when purchasing receivables NORD/LB is exposed to transaction-specific risks such as commingling risks (transfer risk, which NORD/LB as creditor of purchased receivables might be exposed to through commingling of collected receivables with own funds of the vendor of the receivables) and dilution risks. Many of the hedging and other risk management strategies utilised by NORD/LB also involve transactions with financial service counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of NORD/LB's hedging and other risk management strategies.

NORD/LB and its Subsidiaries also establish provisions for loan losses, which are reflected in the consolidated income statement as loan loss provisions, in order to maintain appropriate allowances for loan losses based upon an assessment of prior loan loss experience, the volume and type of lending being conducted by each bank, industry standards, past due loans, economic conditions and other factors related to the collectability of each entity's loan portfolio.

This determination is based primarily on NORD/LB's and its Subsidiaries' historical experience and judgment, and they may have to increase or decrease their provisions for loan losses in the future as a result of increases or decreases in non-performing assets or for other reasons. Any increase in the provision for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have a material adverse effect on the Issuer's business or on the Issuer's results of operations or financial condition.

Since the beginning of the crisis on the shipping markets in 2008, in particular in terms of low capacity utilization and charter rates (specifically with regard to the container, tanker and bulker segments) as well as market values for ships coming under pressure, the quality of the credit portfolio of NORD/LB and its subsidiary Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – has deteriorated. In particular in 2016, the once more intensified shipping crisis led to a considerable increase in expected losses in the entire credit portfolio and therefore in loan loss provisions. Due to the high share of US-Dollar denominated assets in the shipping portfolio, the strong appreciation of the US Dollar against the Euro added to this development.

In the Ship Customers segment, the NORD/LB Group focused mainly on downsizing the portfolio. Thus, the current Group volume is to be pared down to between Euro 12 and 14 billion by the end of 2018. In addition, the systematic conversion and diversification of the portfolio, primarily in terms of regions, customers and asset classes, was advanced further. The Group-wide focus here is on a reduction of the commercial shipping portfolio.

NORD/LB's earnings performance in the ship customers segment continues to be dominated by the shipping crisis. A market recovery in the form of increasing charter rates and market values for ships either may not occur or may only occur at a different time and in a different form than previously anticipated in the Group's planning, with the corresponding risks for the Group's risk provisioning, earnings performance and equity ratios. Deviations in carrying out the planned implementation of the portfolio in conjunction with market developments could make additional valuation allowances necessary. Further insolvencies of shipping companies may also lead to a deviation from the expected risk provisioning. These risks may continue to have a further negative impact on the Issuer's and its subsidiaries' profit situation, capital situation and results in the future.

The markets in which NORD/LB and its Subsidiaries are active, particularly the German banking sector, are characterized by strong competition which often results in margins that are economically unattractive lending margins and income are subject to pressures that may intensify in the future. In cannot be excluded that this development will have a negative effect on NORD/LB's and its Subsidiaries' business.

NORD/LB and its Subsidiaries have made and may continue to make further equity investments in companies to secure or improve their market position. This exposes them to investment risk. Generally, there is no guarantee that investments will actually fulfil their strategic objective. In particular, losses in the value of an investment may occur, due to unforeseen developments in the market or in the investment target. Furthermore, NORD/LB and its Subsidiaries may have to bear losses generated by an affiliate or other investment target and these losses could exceed the book value of the investment itself.

NORD/LB and its Subsidiaries are also exposed to market price risk as a result of open positions in the foreign exchange markets, the capital markets and fluctuations in interest rates. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates.

A market price risk in the trading portfolio arises from trading activities in the interest rate, foreign exchange and equity markets. A market price risk in the banking portfolio arises from differences in interest periods. In periods of volatility, significant profits on trading can be followed by periods of losses on trading. NORD/LB and its Subsidiaries may suffer material losses if they cannot exclude deteriorating positions in a timely manner, in particular with respect to illiquid assets such as assets not traded on stock exchanges or other public trading markets such as derivatives contracts between banks.

NORD/LB and its Subsidiaries conduct substantial amounts of their business in currencies other than the Euro, most importantly in US Dollars. This exposes NORD/LB and its Subsidiaries to foreign currency translation risks and foreign currency transaction risks. In addition, US Dollars are the predominant currency used in the ship and aircraft financing business, which are among NORD/LB's and its Subsidiaries' main business segments. A relative depreciation of the US Dollar against the Euro would result in lower income from these transactions. On the other hand, a relative appreciation of the US Dollar against the Euro would lead to an increase in US Dollar risk positions and an increase in the total risk exposure amount, which would have a negative influence on capital ratios. Furthermore, to the extent the Issuer recognises operating income in currencies other than the Euro, it will encounter foreign exchange risk, which could have a material adverse effect on its business results of operations or financial condition.

If any of the Issuer's instruments and strategies to hedge or manage credit, counterparty or market price risk is not effective, the Issuer may not be able to effectively mitigate its risk exposures. The Issuer's financial results also depend on the effectiveness of its cost and credit management in regard to counterparty and market price risk.

To the extent the Issuer's estimates towards changes in credit quality and risk concentrations or towards changes in determining its valuation models for fair value of asset and valuation liability values, or the determination of the appropriate level of provisions for loan losses or other risks, prove to be inaccurate or unpredictable for actual results, the Issuer could suffer higher than expected credit, trade or investment losses. The aforementioned issues could have a material adverse effect on NORD/LB and its Subsidiaries and the results of operations or the financial condition for business of NORD/LB and its Subsidiaries.

Changes in interest rates are caused by many factors beyond the Issuer's control and such changes can have significant adverse effects on its financial results, including its net interest income, which represents the majority of its operating income.

The Issuer derives the majority of its operating income from net interest income. Interest rates are sensitive to many factors beyond the Issuer's control, such as monetary policies pursued by central banks and national governments, the liberalisation of financial services and increased competition in the markets in which the Issuer operates, domestic and international economic and political conditions, and other factors. Changes in interest rates could affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities, which in turn could affect the level of the Issuer's net interest income. Moreover, the composition of the Issuer's assets and liabilities, and any gap position resulting from the composition, causes its net interest income to vary with changes in interest rates. A mismatch of interest-earning assets and interest-bearing liabilities in any given period could, in the event of changes in interest rates, reduce the Issuer's interest margin and have a material adverse effect on its net interest income and thereby on its business, results of operations or financial condition.

In addition, the ongoing environment of historically low interest rates has led to low margins and also lowers income of interest-earning assets through to negative interest. These developments could have an adverse effect on the operating income and the financial results of NORD/LB and its Subsidiaries and also could negatively affect the administrative expenses (resp. the other comprehensive income) of NORD/LB and its Subsidiaries due to the possibility of an increase in allocations to pension provisions. The further development of interest rates and other marcoeconomic conditions is subject to considerable uncertainty.

NORD/LB and its Subsidiaries are subject to liquidity risks.

NORD/LB and its Subsidiaries are subject to liquidity risks, i.e., risks that they are unable to meet their obligations as they fall due as a result of a sudden and lasting increase in cash outflows or the possible end of the unrestricted availability of long-term uncovered funding. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances a lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially of an inability to fulfil lending commitments. These risks are inherent in all banking operations and can be influenced by a range of institution-specific and market-wide events. The current budgetary crises in certain member states of the European Monetary Union, despite the rescue packages provided by the European Union for Greece, Ireland, Italy, Spain, Portugal and Cyprus, represent the risk of further countries requiring support and a prolonged loss of confidence in the financial markets. This could have negative impacts on NORD/LBs ability to refinance itself in the markets.

In illiquid markets, NORD/LB and its Subsidiaries may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect their ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

The liquidity situation in the markets stabilised further in 2016 to a comfortable level, due primarily to the measures taken by the European Central Bank. Open market operations under the commitment to support market participants with sufficient liquidity, such as purchase programmes of covered bonds (CBPP3) and asset backed securities ("**ABS**") (ABSPP), as well as targeted longer-term refinancing operations (TLTROs) have had a positive impact on the liquidity situation in the markets. However, the liquidity situation continues to be characterised by uncertainty with regard to the possible medium to long term impact of the sovereign debt crisis on the EU periphery countries and the stability of the euro currency zone. All the factors mentioned above might be detrimental to the business and can have a material adverse effect on the operating results and financial position of NORD/LB and its Subsidiaries (for further information see below "*Risk factors relating to regulatory aspects concerning credit institutions in general*").

Unfavourable developments in the Issuer's or a subsidiary's credit rating would increase their funding costs and affect their ability to access capital markets.

NORD/LB is rated by Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Federal Republic of Germany ("**Moody's**") and Fitch Deutschland GmbH, Taunusanlage 17, 60325 Frankfurt am Main, Federal Republic of Germany ("**Fitch**").

Moody's and Fitch are established in the European Union and are registered under Regulation (EC) no 1060/2009 of the European Parliament and the Council of 16 September, 2009 on credit rating agencies as amended (the "**CRA Regulation**"). Moody's and Fitch are listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu) in accordance with the CRA Regulation.

Several other of the companies consolidated by Norddeutsche Landesbank – Girozentrale – (together the "**NORD/LB Group**"), *inter alia* NORD/LB Luxembourg S.A. Covered Bond Bank and Deutsche Hypothekenbank (Actien-Gesellschaft) also issue securities on a regular basis and are or may be rated separately.

In determining the rating assigned to the Issuer, the agencies examine several performance indicators of the Issuer, including profitability and the ability to maintain its consolidated capital ratios. In the event that the Issuer does not achieve or maintain certain performance measures, or maintain its capital ratios above certain levels, one or more of the ratings assigned to the Issuer or to any subsidiary may be lowered. In addition, if the sovereign debt of Germany – the Issuer's primary market – were to suffer a downgrade, it could affect the Issuer's rating and market perceptions of the Issuer's creditworthiness.

A downgrading of the ratings assigned to the Issuer or to any subsidiary could potentially increase their funding costs, limit their funding resources and negatively impact their access to liquidity and therefore have a material adverse effect on their business, results of operations or financial condition.

The Issuer's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Issuer devotes significant resources to developing risk management policies, procedures and assessment methods for its banking and other businesses. Nonetheless, the risk management techniques and strategies applied by the Issuer may not be fully effective in mitigating risk exposure in all economic market environments or against all types of risk. To develop and refine the Issuer's risk management, the Issuer is required to make assumptions, judgments and estimates to identify and anticipate risks, quantify risk exposures and determine its risk-bearing capacity. Unanticipated or incorrectly quantified risk exposures could result in material losses, which could have a material adverse effect on the Issuer's business, results of operations or financial condition.

The assumptions, judgments and estimates used to value the assets of NORD/LB and its Subsidiaries may prove unreliable.

In accordance with International Financial Reporting Standards ("**IFRS**"), NORD/LB and its Subsidiaries generally apply fair value when financial assets and financial liabilities are recognised. Generally, in order to determine the fair value of such assets and liabilities, NORD/LB and its Subsidiaries rely on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data. Under certain circumstances, the market data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to adverse market conditions. In this case, the internal valuation models require NORD/LB and its Subsidiaries to make assumptions, judgments and estimates in order to establish fair value. Assets that are not publicly traded, such as derivatives, may be assigned values that are calculated by using mathematical models. As is common with financial institutions, these internal valuation models are complex and the assumptions, judgments and estimates NORD/LB and its Subsidiaries are required to make, often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, property appreciation and depreciation, and relative levels of defaults and deficiencies. These assumptions, judgments and estimates may prove to be unreliable and may need to be updated to reflect changing trends and market conditions. The resulting change in fair values of the financial instruments could have a material adverse effect on the business, results of operations or financial condition of NORD/LB and its Subsidiaries.

NORD/LB and its Subsidiaries are subject to operational risks, including fraud, misconduct by clients or employees, security breaches, technical and information technology errors or failures and other adverse events, many of which are wholly or partially beyond their control.

NORD/LB and its Subsidiaries, like all financial institutions, are exposed to many types of operational risk, including the risk of fraud or other misconduct by employees or outsiders, unauthorised transactions by employees or operational errors, including clerical or record-keeping errors or errors resulting from faulty computer or telecommunications systems (IT-risks). NORD/LB and its Subsidiaries are highly dependent on their ability to process a large number of transactions across numerous diverse markets in different currencies on a daily basis and some of these transactions have become increasingly complex. Given the high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified.

In addition, NORD/LB and its Subsidiaries depend on automated systems to record and process transactions. This increases the risk that technical systems flaw or employees tamper or manipulate the systems, taking into account that such violations are hard to detect. The failure or manipulation of the supporting systems could have a material adverse effect on the business and financial condition of NORD/LB and its Subsidiaries.

Furthermore, there is a risk that certain circumstances cause disruptions of the operating systems or the supporting infrastructure of NORD/LB and its Subsidiaries. These circumstances might be wholly or partially beyond NORD/LB's and its Subsidiaries' control and include, but are not limited to, disruptions caused by terrorist activities, computer viruses, disease pandemics, electrical or telecommunication outages, transportation or other services used by the Issuer or third parties in order to conduct business. Each of these disorders can lead to performance failures towards customers and to further losses and liability by NORD/LB and its Subsidiaries.

NORD/LB and its Subsidiaries are exposed to the risk that external vendors may be unable to fulfil their contractual obligations (or external vendors will be subject to the risk of fraud or operational errors by their respective employees), and to the risk that their (or their vendors') business continuity and data security systems could prove to be ineffective. NORD/LB and its Subsidiaries are also subject to the risk that the organisation and conception of their internal controls and procedures could prove to be inadequate or that control mechanisms might be circumvented by an interferer, thereby causing delays in detection of defaults or errors in information. Although NORD/LB and its Subsidiaries maintain a system of controls designed to keep operational risk at appropriate levels, NORD/LB and its Subsidiaries have suffered losses from operational risk and there can be no assurance that they will not suffer losses from operational risk in the future.

In addition, NORD/LB and its Subsidiaries maintain contractual relationships with customers based on standardized contracts and general terms and conditions. It cannot be excluded that a change in relevant legislation or jurisprudence as well as a change in the view of regulatory authorities and according legal risks may have a material adverse effect on NORD/LB's net assets, financial position and results of operations.

1.1.2. Risk factors relating to regulatory aspects concerning credit institutions in general

Regulatory changes or enforcement initiatives could adversely affect the business of NORD/LB and its Subsidiaries.

NORD/LB and its Subsidiaries are subject to banking and financial services laws and government regulation in each of the jurisdictions in which they conduct business. Regulatory authorities have broad administrative surveillance and regulatory authorities over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, loan loss provisions, ethical issues, money laundering, privacy, record keeping, and marketing and selling practices. In this regard, regulatory authorities conduct control and monitoring measures on a regular basis. Regulatory authorities have among other things the power to bring administrative or judicial proceedings against the Issuer or the subsidiaries of the Issuer, which could result, among other things, in suspension or revocation of the Issuer's licenses, cease and desist orders, conditions, fines, civil penalties, criminal penalties or other disciplinary action.

Such proceedings and/or other regulatory initiatives or enforcement actions could have a material adverse effect on the reputation, the business, results of operations or financial condition of NORD/LB and its Subsidiaries.

Banking and financial services laws, regulations and policies currently governing NORD/LB and its Subsidiaries may change at any time in ways which could have an adverse effect on their business. Furthermore, changes in existing banking and financial services laws and regulations may materially affect the reputation of NORD/LB and its Subsidiaries, the way in which they conduct business, the products or services they may offer and the value of their assets.

Stress tests and similar exercises may adversely affect the business of NORD/LB and its Subsidiaries.

NORD/LB and its Subsidiaries have been and, in the future, may be subject to stress tests and similar exercises that have been and, in the future, may be initiated and conducted by the German financial regulatory authorities *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") and Deutsche Bundesbank (the "**German Central Bank**"), the European Banking Authority ("**EBA**"), the European Central Bank ("**ECB**") and/or any other competent authority. The result of operations of NORD/LB and its Subsidiaries may be adversely affected if NORD/LB or any of the financial institutions with which NORD/LB and its Subsidiaries do business receives negative results on such stress tests.

ECB has conducted comprehensive assessments and will continue to do so in the future, comprising an asset quality review (the "**AQR**") and a stress test which was performed in cooperation with the EBA and carried out based on the EBA methodology. By the end of 2014 NORD/LB Group had passed the requirements of the comprehensive assessment of the ECB including the EBA stress test. EBA also conducted an EU wide stress test exercise in 2016. NORD/LB Group was one of the 51 banking groups that were subject to such stress test exercise. Different from previous stress tests, no capital thresholds were defined. The final results of the 2016 EU-wide stress test were published by EBA on 29th July 2016.

Such kind of stress tests and similar exercises can be reintroduced any time in the future again.

If the Issuer's capital was to fall below the predefined threshold of a given stress test at the end of the stress test period and/or other deficiencies are identified in connection with the stress text exercise, remedial action may be required to be taken by the Issuer, including potentially requirements to strengthen the capital situation of the Issuer and/or other supervisory interventions. Investors should note, however, that the powers of the competent supervisory authorities are not limited to actions in response to specific breaches of stress test requirements but that they may also take action against NORD/LB Group irrespective of such breaches on the basis of their general authority and, can form the basis of additional prudential requirements applicable to the NORD/LB Group resulting the Supervisory Review and Evaluation Process ("**SREP**").

Further, the exercise of such general authority as well as the publication of stress test results and their findings could have a negative impact on the Issuer's reputation and its ability to refinance itself as well as increase its cost of funding or require other remedial actions. The same applies to related additional prudential requirements set by a competent authority in connection with a stress test or a similar exercise (even if related to a credit institution other than the Issuer), their evaluation by financial market participants, but also the market's impression that stress tests or related prudential requirements are not sufficient in order to judge or reinstate a solid financial standing of a bank could have a negative impact on the Issuer's reputation or its ability to refinance itself as well as increase its costs of funding or require other remedial actions. Also, negative stress test results of and/or additional prudential requirements for financial institutions with which NORD/LB does business may adversely affect the business activities of NORD/LB. In addition, the risks arising from the aforementioned aspects could have further material adverse effects on NORD/LB's reputation, business, results of operations or financial condition and thereby or otherwise have an impact on its creditors.

The Issuer may be exposed to specific risks arising from the so-called Single Supervisory Mechanism (SSM), the Single Resolution Fund (SRF) and other regulatory measures.

On 4 November 2014, the ECB has assumed the direct supervision of a number of significant institutions including NORD/LB and its subsidiaries Bremer Landesbank Kreditanstalt Oldenburg-Girozentrale, Deutsche Hypothekenbank (Actien-Gesellschaft), NORD/LB Luxembourg S.A. Covered Bond Bank in the context of the European single supervisory mechanism (the "**SSM**"). The SSM is *inter alia* based on the Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions ("**SSM Regulation**") according to which the ECB, supported by the participating national competent authorities ("**NCAs**", such as BaFin and the German Central Bank), will directly supervise the most significant banking groups in the Euro area, including NORD/LB Group. The SSM is considered as the first pillar of the so-called EU Banking Union. With a view to fulfill the supervisory tasks assumed by it, the ECB is empowered, in particular as part of the SREP, to *inter alia*, analyse the business model, internal control arrangements, risk governance as well as capital and liquidity adequacy of individual groups of significant credit institutions (such as NORD/LB Group) and to require those to comply with own funds and liquidity adequacy requirements which may exceed regular regulatory requirements or take early correction measures to address potential problems. The key result of the application of the SREP will be a common scoring resulting in individual additional capital and liquidity requirements for the credit institutions under the SSM. As a result, each affected credit institution will receive and the Issuer has already received a SREP decision by the ECB at the end of 2016, affecting, among others, individual capital requirements which may increase the capital requirements applicable to the Issuer and the ECB may also require the Issuer to maintain higher capital buffers than those required by BaFin.

Under the SSM, the ECB together with the NCAs is currently working on establishing on a framework of joint standards setting a common set of understanding regarding priorities from a regulatory and banking supervisory point of view. Part of this ongoing work focuses inter alia on further harmonizing options and discretions available for European Member States under the CRD IV/CRR-Package and a targeted approach to monitor suitability of internal bank models evaluating capital and liquidity adequacy. Whereas such joint standard framework and other arrangements determined under the SSM may not be publicly available information and also be subject to change, these may have an impact on how regulatory requirements are actually applied. Procedures within the SSM (including the interaction between NCAs and the ECB) will be subject to constant scrutiny, change and development and this fact as well as other regulatory initiatives could change interpretation of regulatory requirements and lead to additional regulatory requirements, increased cost of compliance and reporting for the Issuer. Furthermore, such developments may require re-adjustment of a credit institution's business plan that is subject to the SSM or having other material adverse effects on its business, results from normal operations or financial condition.

Further, in August 2014 a regulation establishing the so-called single resolution mechanism (the "**SRM**") was enacted (EU Regulation (EU) No. 806/2014, the "**SRM Regulation**"). The SRM is meant to establish a uniform procedure for the resolution of credit institutions that are subject to the EU banking supervisory mechanism SSM. The SRM Regulation, the BRRD and the German Act on the Recovery and Resolution of Institutions (*Sanierungs- und Abwicklungsgesetz*, the "**SAG**") which transposes the BRRD into German national law are closely connected. As a result of a resolution measure under the SRM, a creditor of NORD/LB may already prior to the occurrence of insolvency or liquidation of the Issuer be exposed to the risk of losing part or all of the invested capital. In this respect, please see also "*The rights of creditors may be adversely affected by resolution measures (including the Bail-in Tool), the Single Resolution Mechanism, and measures to implement the BRRD*".

In addition, a single bank resolution fund (the "**SRF**") has been established which may in certain circumstances and subject to various conditions provide medium term funding for potential resolution measures in respect of any bank that is subject to the SRM. Credit institutions such as NORD/LB are required to provide contributions to the SRF, including annual contributions and ex-post contributions in addition to existing bank resolution cost contributions. These contributions constitute a substantial financial burden for NORD/LB as well as the other banks subject to the SRM.

In addition, Directive 2014/49/EU on deposit guarantee schemes was published. This revised Directive provides, inter alia, for faster repayments. In general, financial means dedicated to the compensation of the depositors in times of stress have to comply with 0.8 per cent of the amount of the covered deposits by 3 July 2024, whereby the calculation of the contributions has to be made in due consideration of the risk profiles of the respective business models and those with a higher risk profile should provide higher contributions. In connection therewith, the institutional deposit guarantee scheme of the Sparkassen Finanzgruppe has been restructured and approved as deposit guarantee scheme pursuant to the German law on deposit guarantees (*Einlagensicherungsgesetz*, "**EinSiG**") by BaFin in the meantime. This created a new annual contribution for NORD/LB since 2015 until 2024, which in turn may result in an additional financial burden. Special or additional contributions over and above those already paid may be levied, for instance, as part of a compensation case where support is provided. The obligation to pay contributions until 2024 and any special or additional contributions represent a risk with regard to NORD/LB's financial position.

Further, the European Commission has recently published a proposal for a reform package to create a uniform euro-area wide deposit guarantee scheme for bank deposits (also referred to as "**EDIS**") as a third pillar of the EU Banking Union. The proposal of reforms includes among other things the creation of a European Deposit Insurance Fund on the level of the EU (Banking Union) which will be financed by contributions to be provided by the banking industry. Subject to the final implementation, should the proposals be implemented, this may result in obligations of the Issuer to come up for further contributions. Further, the aforementioned developments regarding EDIS may have other material adverse effects on the Issuer's business, results of operations or financial condition.

Such aforementioned proceedings and/or other regulatory initiatives could change the interpretation of regulatory requirements applicable to the Issuer and lead to additional regulatory requirements, bank levies, result in increased supervisory fees, increase the costs of compliance and reporting as well as require the Issuer to provide cost contributions to the SRF and other bodies in addition to existing bank resolution cost contributions. Further, such developments may have other material adverse effects (including those set out above) on the Issuer's business, results of operations or financial condition.

Risks Regarding MREL and TLAC

Creditors of the Issuer are exposed to risks in connection with requirements of the Issuer to maintain a certain threshold of eligible bail-in able debt.

The BRRD and the related Commission Delegated Regulation (EU) No. 2016/1450 of 23 May 2016 prescribe that banks shall, upon respective request by the competent resolution authority, hold a minimum level of own funds and eligible liabilities ("**MREL**") and specify the criteria relating to the methodology for setting MREL. The level of capital and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) individually based on certain criteria including systemic importance and taking into account the relevant bank's resolution strategy. Under the law applicable on the date of this Registration Document, eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including by contractual provisions).

In November 2015, the Financial Stability Board ("**FSB**") issued its final standard regarding regulatory capital and eligible liabilities to be maintained at a minimum by global systemically important banks ("**G-SIBs**") i.e. institutions which are relevant for the system on a global scale (Total Loss Absorbency Capacity – "**TLAC**" and the "**TLAC Standard**", respectively). Given the legal nature of the TLAC Standard and the fact that the Issuer does not constitute a G-SIB, the TLAC Standard is not directly binding upon the Issuer.

As part of a legislative draft package pursuant to which the TLAC Standard shall be implemented into European binding law, the European legislator has also revised and significantly extended the scope of eligibility criteria for liabilities in order to qualify as MREL in the future. According to the first draft legislative proposal provided by the European Commission in November 2016, the eligibility criteria under the TLAC Standard are almost identical to the eligibility criteria provided for MREL. These eligibility criteria include that the creditor of an MREL liability must not have any set-off or netting rights and no right to acceleration other than in the case of insolvency or liquidation (i.e. the creditor cannot terminate or call default even if the Issuer would fail to pay any amount due under the instrument).

Whilst German banks expected existing unsubordinated debt instruments with market standard terms and conditions issued prior the date of this Registration Document to be eligible under MREL, the aforementioned proposed eligibility criteria include features that are included in market standard terms and conditions of unsubordinated liabilities issued by German banks. Therefore, it cannot be excluded that a significant amount of the Issuer's existing liability instruments will not qualify for the purposes of MREL.

In this respect, one of the decisive factors as to whether the Issuer's outstanding liabilities may be recognised as MREL will be whether the final legislation will contain sufficiently broad grandfathering provisions. The first draft legislative proposal does not contain any such grandfathering provision with respect to MREL eligibility criteria and unless such will be introduced in the final legislation, the Issuer (like other European banks) would be required to significantly issue new debt for the purposes of fulfilling any MREL requirement binding upon it.

Further, the first draft legislative proposal provides that the resolution authorities may require that MREL must be met with subordinated liabilities and banks expect resolution authorities to actually make use of such authority so that a significant amount of the MREL requirement may have to be met by virtue of subordinated liabilities.

Given that the legislative procedure in respect of the MREL amendments described above are still pending, the scope of relevant criteria for liabilities to be eligible for MREL in accordance with the final law and whether outstanding liabilities of the Issuer will be subject to grandfathering provisions cannot be predicted at the date of this Registration Document.

Monitoring as well as compliance with MREL, as currently implemented and as provided for in the European Commission's first draft legislative proposal, may cause changes that affect the profitability of business activities and require changes to certain business practices, which could expose the Issuer to additional costs (including increased compliance and refinancing costs) or have other material adverse effects on the Issuer's business, financial condition or results of operations.

Implementing any necessary changes may also require the Issuer to invest significant management attention and resources, to make any necessary changes. As a consequence, this may have an adverse effect on a Creditor's economic or legal position.

Also, non-compliance or imminent non-compliance by the Issuer with MREL requirements may not only have a negative effect on the financial position and earnings of the Issuer and/or the market value of the instruments, but could form the basis of the resolution authority requiring the Issuer to set-up a plan to restore compliance with MREL, taking Early Intervention Measures against the Issuer and even to take this fact into account by the competent authority when conducting the failure or likely to fail assessment. As a result, the Creditors are exposed to the related risks and could eventually result in Creditors losing their investment in the instruments in whole or in part.

The Issuer is exposed to risks arising from increased regulatory requirements such as additional capital buffers.

Within the EU, some of the post-crisis reform measures developed by the Basel Committee in relation to the New Basel Capital Accord on capital requirements for financial institutions (so called "**Basel III**") have been implemented on the basis of a package of amendments to the Capital Requirements Directive (by virtue of EU Directive 2013/36/EU as amended or replaced from time to time, the "**CRD IV**" and the related German implementation law, the "*CRD IV-Umsetzungsgesetz*", and regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended, supplemented or replaced from time to time, the "**CRR**", together with the related regulatory and technical standards and the CRD IV as well as the CRD IV-Umsetzungsgesetz, the "**CRD IV/CRR-Package**"). The CRR became effective as of 1 January 2014 and as a European regulation is directly applicable to institutions in the European Union.

Pursuant to the CRD IV/CRR-Package, the capital requirements for credit institutions have and will become significantly tighter in terms of both quality and quantity. In addition to the gradual introduction of the new capital ratios by 2019, the CRD IV/CRR-Package generally provides for a transitional phase until 2022 for capital instruments that were recognised as regulatory tier 1 capital before the CRR entered into force, but do not meet the CRR requirements for Common Equity tier 1 capital (CET 1 capital). The German Banking Act also requires banks to build up a mandatory capital conservation buffer (Common Equity Tier 1 capital amounting to 2.5% of risk-weighted assets in 2019), and authorizes the BaFin to require banks to build an additional countercyclical buffer (Common Equity Tier 1 capital of generally up to another 2.5% of risk-weighted assets in 2019) during periods of high credit growth. The capital conservation buffer and the countercyclical buffer will be phased in from 2016 in four equal steps of 0.625%; the respective maximum buffer requirement of 2.5% will be applicable from 2019 onwards. As of the date of this Registration Document, the additional countercyclical buffer has been set by BaFin to be 0.0(zero)% and in the time period between 1 January 2017 through 31 December 2017, a mandatory capital conservation buffer in the amount of 1.25% of risk weighted assets applies. In addition, the BaFin may require banks to build up a systemic risk buffer (Common Equity Tier 1 capital of between 1% and 3% of risk-weighted assets for all exposures and, in exceptional cases, up to 5% for domestic and third-country exposures) to prevent long-term non-cyclical systemic or macro-prudential risks, in particular if risk aspects are not fully covered by the capital requirements under the CRR or if the risk-bearing capability is endangered.

Since January 2016, other systemically important banks ("**O-SIBs**") (such as the Issuer) may become subject to an additional capital buffer of up to 2% of the total risk exposure amount. The systemic risk buffer and buffers for systemically important banks are generally not cumulative; only the higher of these buffers will apply. If a bank fails to build up and maintain the required capital buffers, it will be subject to restrictions on payments on certain own funds instruments (such as paying dividends, for example), share buybacks, and discretionary compensation payments.

Also, additional capital requirements in terms of capital buffers, increased requirements regarding liquidity and large exposures may be imposed. O-SIBs could be made subject to further regulatory measures, in particular relating to crisis management and taking respective preventive measures such as drawing up emergency and resolution plans. Even though such regulatory measures may not necessarily directly interfere with rights of creditors of an affected credit institution, the mere fact that a competent authority applies such tool to a specific credit institution may have indirect negative effects, e.g. on pricing of instruments issued by such entity or on the entity's ability to refinance itself.

In addition, further regulatory requirements are envisaged to be implemented such as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**") which are of great importance to credit institutions such as the Issuer. According to the current legislation, the liquidity requirements relating to the LCR (which requires credit institutions to maintain certain liquid assets for a 30-day period against the background of a stress scenario) have been implemented since October 2015 with a minimum LCR ratio of 80% since 1 January 2017 which will be increased to 100% to be met from 1 January 2018 and onwards. The NSFR which must be adhered to from 2018 at the earliest, is calculated as the ratio of available funding resources across all maturities to the funding required and must also be at least 100% after full implementation. Finally, the CRD IV/CRR-Package sets out a non-risk-based maximum leverage ratio. While the CRR does not require banks immediately to comply with a specific leverage ratio, banks are required to report and publish their leverage ratios for a future assessment and calibration of the leverage ratio. The final calibration of the leverage ratio is intended to be completed by 2017 and it is expected that banks will be required to fully comply with the leverage ratio starting in 2018. The introduction of such a legally binding non-risk-based leverage ratio may constrain the Issuer's ability to grow in the future or even require the Issuer to reduce its business volumes.

The capital ratios may be significantly impacted in the future by the intended changes to the regulatory requirements in the context of current and not yet finalised considerations of the Basel Committee on Banking Supervision to further calibrate and amend the current Basel III reform package (sometimes referred to as "**Basel IV**"), particularly from 2019. A large number of changes in the area of market, operational and counterparty risk are consolidated in this regard under Basel IV. Stricter rules concerning counterparty risk will be of particular relevance for the Issuer. The Issuer uses internal models approved by the supervisory authorities to map counterparty risk (Internal Ratings Based Approach – "**IRBA**"). The supervisory authorities are planning under Basel IV to significantly restrict the use of IRBA models by basing the capital backing more closely on the standard approach ("**CSA floor**"), by limiting the use of the IRBA to certain exposure classes as well as limiting the use of internal risk parameters ("**Constrained IRB**"). New regulatory requirements or accounting rules (such as IFRS 9 from 2018) may also adversely affect the capital ratios in the future. IFRS 9 is expected to substantially impact accounting, measurement and presentation of financial instruments in future consolidated financial statements. These uncertainties could have negative effects on the future development of the Issuer's business. Furthermore, the Basel Standard 239 (BCBS 239) gives rise, for example, to comprehensive future requirements regarding risk data aggregation including the IT architecture and risk reporting by banks. This could lead to higher costs than initially planned, and could have a negative impact in the economic situation of the Issuer.

The global financial crisis has led to an increase in regulatory activity at national and international levels to adopt new regulations and to more strictly enforce existing regulations applicable to the financial sector, which has a significant effect on the costs of compliance and may significantly affect the activity levels of financial institutions.

On 23 November 2016, the European Commission published, among other proposals, a proposal to amend the CRD IV/CRR-package. These proposals aim to complete the reform agenda by tackling remaining weaknesses and implementing some outstanding elements of the reform that are essential to ensure the institutions' resilience but have only recently been finalised by global standard setters (i.e. the Basel Committee on Banking Supervision ("**BCBS**") and the FSB), in particular the LCR, the NSFR, the leverage ratio and more risk sensitive own funds (i.e. capital) requirements for institutions that trade to an important extent in securities and derivatives and new standards on TLAC of G-SIBs which will require those institutions to have more loss-absorbing and recapitalisation capacity, tackle interconnections in the global financial markets and further strengthen the EU's ability to resolve failing G-SIBs while minimising risks for taxpayers. The proposal might make it more difficult for the Issuer to fulfil the capital requirements, if adopted.

The financial crisis has led many governments and international organisations to make significant changes in banking regulations. The regulatory framework applicable to banks and prudential requirements continues to be changing, not only with respect to the aforementioned considerations of the BCBS to further calibrate the Basel III reform package, but also with regard to the following aspects:

- The current beneficial treatment of risk weightings may change in relation to specific assets (e.g. exposures owed by governmental entities) so that e.g. governmental debt may attract significantly higher capital charges.
- It can be expected that in the European Banking Union additional and changing capital requirements for the Issuer will result from the SREP Process, e.g. in the context of the targeted review of internal bank models which is one of the regulatory priorities in 2017 of the ECB under the SSM.
- The plan of the European Commission to boost business funding and investment financing with the aim to build a true single market for capital across 28 EU Member States (so-called EU Capital Markets Union), one objective of which being to enable small and mid-sized enterprises (SMEs) and other companies to get direct access to capital market financing may change the role of credit institutions (including the Issuer's) in assisting such companies to obtain funding and thereby also change a credit institution's business models. A reliable impact assessment of these ongoing developments is not yet possible.

The above enumeration of potential risk factors relating to regulatory aspects concerning credit institutions in general is not exhaustive. International bodies such as the FSB and the BCBS as well as the lawmakers and regulatory authorities in Europe are continuously working on additional recommendations, regulations, standards, etc. It is likely that in future further regulations need to be considered which might adversely affect the positions of creditors of credit institutions (such as the Issuer).

Areas where changes could have a particular impact on the Issuer’s business include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in governmental or regulatory policy that may significantly influence investors’ decisions, in particular in markets in which the Issuer operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation among financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and
- implementation of regionally applicable systems for customer or depositor compensation or remuneration schemes.

Implementation of such regulatory changes has already resulted in an increase in the cost of compliance and funding for NORD/LB and its Subsidiaries and other financial institutions and may continue to do so which may affect their results of operations. Ongoing regulatory changes and challenges may require banks to continually review their business models and constantly improve efficiency to be able to ensure sufficient profitability and maintain the ability to build up capital from their own resources. Depending on the type of regulatory changes, the regulatory aspects could force financial institutions (including the Issuer) in the future to cease potentially profitable but disproportionately capital-intensive business operations or lead to reduced levels of activity for financial institutions and/or changes to a bank’s business model, which could significantly impact NORD/LB’s and its Subsidiaries’ business, financial condition and results of operations.

If the Issuer fails to address, or appears to fail to address, appropriately any changes or initiatives in banking regulation, its reputation could be harmed and it could be subject to additional legal and litigation risk, which in turn would increase the amount and number of claims and damages asserted against it or would expose the Issuer to an increased risk of enforcement actions, administrative fines and penalties.

Given that capital adequacy requirements (including the upcoming MREL requirement) and liquidity requirements have been and will continue to be increased, this may require the Issuer to raise own funds instruments, increase other forms of capital or reduce its total risk exposure amount to a greater extent which in turn may result in an adverse effect on the Issuer’s long term profitability. Additionally, the market’s willingness to participate in such capital raising measures may be limited, for example if the Issuer’s competitors carry out similar capital raising measures at the same time in order to comply with the stricter regulatory capital requirements.

As a consequence, this may potentially have an adverse effect on the economic or legal position of creditors of the Issuer. Any such change may also have a material adverse effect on the operating results and financial position of NORD/LB and its Subsidiaries The potential introduction of a legally binding leverage ratio as well as market pressure to comply with a certain leverage ratio (regardless of whether such ratio may legally be required), may lead to similar results.

Governmental and central bank action in response to the financial crisis significantly affects competition and may affect the legal or economic position of the Issuer's creditors.

In response to the financial crisis, there has been significant intervention by governments and central banks in the financial services sector, *inter alia* in taking direct shareholdings in individual financial institutions and contributions of other forms of capital, taking over guarantees of debt and purchasing distressed assets from financial institutions. In some instances, individual financial institutions have been nationalised. The eligibility to benefit from such measures is in some instances tied to certain commitments of the participating bank, such as lending exclusively to certain types of borrowers, adjustments to the bank’s business strategy, suspension of dividends and other profit distributions and limitations on the compensation of executives.

Such interventions involve significant amounts of money and have significant effects on both the participating as well as the non-participating institutions, in particular in terms of access to refinancing sources and capital and the ability to recruit and retain skilled employees. Institutions such as NORD/LB and its Subsidiaries were in a position to preserve greater autonomy in their strategy, lending and compensation policy but may suffer competitive disadvantages with respect to their cost base, in particular their costs of refinancing and capital. They also may suffer a decline in depositor or investor confidence thus risking a loss of liquidity.

The implementation of any such measures with respect to other companies could affect the perception of the overall prospects for the financial services sector or for certain types of financial instruments. In such case the price for the financial instruments of NORD/LB and its Subsidiaries could drop and their costs of refinancing and capital could rise, which could have a material adverse effect on their business, results of operations, or financial condition.

In June 2014 the ECB announced a package of instruments to fight against excessively low inflation rates. The most important instruments focus on a slight reduction in interest rates, negative interest rates (“penalty interest”) for deposits held by banks at the ECB and a special Federal Reserve Credit Programme. In January 2015, the ECB announced a new expanded asset purchase programme aimed at fulfilling the ECB's price stability mandate. Purchases under such programme shall include bonds issued by euro area central governments, agencies and European institutions and are intended to be carried out until at least September 2016. The new programme will encompass the asset-backed securities purchase programme (ABSPP) and the covered bond purchase programmes (CBPP3), which were both launched in late 2014, and according to ECB's announcement combined monthly purchases will amount to EUR 60 billion. In the meantime the ECB even accelerated its expansionary monetary policy. In addition to reducing the deposit rate to 0.40 per cent, the ECB also made further changes to its expanded asset purchase programme for bonds ("**EAPP**"), including temporarily increasing its monthly purchases for a year starting in April 2016. It also began purchasing corporate bonds in mid-2016. The inflation rate climbed above the 1.0 per cent mark at the end of 2016 for the first time in more than three years. However, this increase was mainly due to base effects related to the price of oil, with domestic price pressure remaining low, as reflected in a core rate of just 0.9 per cent (December). Against this background, the ECB Governing Council decided in December 2016 to extend the EAPP until at least the end of 2017. Further actions by ECB may occur at any time but the impact on the Issuer cannot be foreseen yet.

The rights of creditors may be adversely affected by resolution measures (including the Bail-in Tool and the Power to Write-Down and Convert Capital Instruments), the Single Resolution Mechanism, and measures to implement the BRRD.

In 2014, the BRRD (Bank Recovery and Resolution Directive, Directive 2014/59/EU, the "**BRRD**") which provides for an EU-wide recovery and resolution regime for certain financial institutions established in the European Union (such as NORD/LB) was enacted. In Germany, the BRRD has been implemented into German law by the SAG.

Interplay of BRRD, SAG and the SRM Regulation

Additionally, the SRM Regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRF**") has been enacted. The predominant part of the provisions of the SRM Regulation is applicable since 1 January 2016. The SRM Regulation introduced the SRM as a uniform procedure for the resolution of (groups of) credit institutions and certain other financial institutions, including all groups of bank supervised by the ECB (such as the Issuer). The SRM is part of the EU-Initiative for the establishment of a European banking union. The focus of the SRM Regulation is the transfer of material resolution powers from national resolution authorities to the European Single Resolution Board (the "**SRB**").

For credit institutions (like NORD/LB) that are directly supervised by the ECB, the effect of the SRM Regulation becoming applicable has been the shift of most of the responsibilities of the national resolution authority in the relevant Member State (i.e. with respect to Germany, the *Bundesanstalt für Finanzmarktstabilisierung*, "**FMSA**") under the BRRD from the national level to the European level, in particular to the newly established SRB, a new agency of the European Union, for the purposes of a centralised and uniform application of the resolution regime. Accordingly, for those credit institutions the SRB is *inter alia* responsible for resolution planning, setting MREL, adopting resolution decisions, writing down capital instruments and is entitled to take other early intervention measures. National resolution authorities in the European Union member states concerned (such as the FMSA) would implement such resolution decisions adopted by the SRB in accordance with the powers conferred on them under national law transposing the BRRD. The SRM Regulation and related provisions provide for further details and instruments of the SRM which may already impact on NORD/LB and its business activities prior to NORD/LB being in a difficult financial situation or being considered to fail or likely to fail. Therefore, a creditor of the Issuer may already prior to the occurrence of insolvency or a liquidation of the Issuer be exposed to the risk of losing part of or all of the invested capital.

As a result of the BRRD (as transposed into national laws) and the SRM Regulation, among other things, (i) credit institutions and resolution authorities are obliged to draw up recovery and resolution plans on how to deal with situations of financial stress, (ii) competent authorities are entitled to take early intervention measures, (iii) a set of resolution tools have been introduced that resolution authorities can apply to preserve critical functions without the need to bail out a credit institution (or its creditors), and (iv) resolution funds are being set-up to finance and facilitate the effective and efficient resolution of credit institutions.

Early Intervention Measures

In relation to early intervention measures, the competent authority may, subject to certain conditions take various actions and measures e.g. require a credit institution to provide intragroup financial support (including provision of liquidity or injection of capital) for a group company that experiences financial difficulties, initiate changes to legal and/or operational structures, requiring credit institutions to draw up detailed recovery plans setting out how stress scenarios or cases of systemic instability could be addressed or request reduction of a credit institution's risk profile, measures enabling recapitalisation measures or improving the liquidity situation or otherwise requiring improvement actions regarding the resilience of the core business lines and critical functions and even require one or more members of the management body or senior management to be removed or replaced (the "**Early Intervention Measures**").

Broad range of Resolution Measures and Resolution Tools, related effects and uncertainties

The BRRD, its transposition into German law *inter alia* pursuant to the SAG, the SRM Regulation and related changes to the legal framework may result in risks for the Issuer's creditors. In particular, a creditor is subject to the risk from the so-called bail-in tool pursuant to which claims for payment of principal, interest or other amounts under the Notes may be subject to a permanent reduction, including to zero, some other variation of the terms and conditions of the Notes in other aspects (e.g. variation of the maturity of a debt instrument) or a conversion into one or more instruments that constitute common equity tier 1 capital instruments (such as capital stock) by intervention of the competent resolution authorities (the so-called "**Bail-in Tool**"). Any write down or conversion by virtue of a Bail-in Tool may result in the investor in the Notes losing all or part of its invested capital or having its securities converted into highly diluted equity which might have a value close to zero.

The SAG and the SRM Regulation furthermore provide that the competent resolution authorities have the power to write-down Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments (the "**Relevant Capital Instruments**" and thereby also including the subordinated Instruments offered under a prospectus referring to this Registration Document) or to convert Relevant Capital Instruments into shares or other instruments of ownership of an institution (including any Common Equity Tier 1 capital instruments) – potentially after the legal form of the Issuer has been changed either independently of resolution action, as part of the Bail-in Tool or in combination with any other Resolution Measure, the "**Power to Write-Down and Convert Capital Instruments**". Such power will, in particular, be given if either (i) the conditions for resolution as set out above have been met, (ii) the appropriate authority determines that unless that power is exercised in relation to the Relevant Capital Instruments, the institution or group will no longer be viable (the so-called "**point of non-viability**" or "**PONV**") or (iii) the institution requires public financial support. Where the institution is failing or likely to fail, such write-down or conversion of Relevant Capital Instruments may be mandatory.

In addition to the Bail-in Tool and the Power to Write-Down and Convert Capital Instruments, the competent resolution authorities are able to apply any other resolution measure, including, but not limited to, sale of the relevant entity or its shares, the formation of a bridge institution and the separation of valuable assets from the impaired assets of a failing credit institution, any transfer of rights and obligations (such as the Issuer's obligations under the Notes) to another entity, other amendment of the terms and conditions of the Notes (including their cancellation) or even the change of the legal form of the Issuer (these aforementioned measures collectively are hereinafter referred to as “**Resolution Measures**”).

Noteholders and other creditors of the Issuer are bound by any Resolution Measure and would have no claim or any other right against NORD/LB arising out of any Resolution Measure and Nord/LB would be relieved from making payments under the Notes accordingly. This would occur if NORD/LB or NORD/LB Group becomes, or is deemed by the competent authority to have become, failing or likely to fail (in particular if its continued existence is at risk (*Bestandsgefährdung*)) and certain other conditions are met (as set forth in the SRM Regulation, the SAG and other applicable rules and regulations).

Whether, and if, to which extent the Notes (if not or not fully exempted by way of protective provisions) may be subject to Resolution Measures or Early Intervention Measures will depend on a number of factors that are outside of NORD/LB’s control, and it will be difficult to predict when, if at all, a such measures will occur. The exercise of any Resolution Measure would in particular not constitute any right of a creditor to terminate the Notes. In case the Issuer is subject to any Resolution Measure exercised by a competent resolution authority, Noteholders and other creditors of the Issuer face the risk that they may lose all or part of their investment, including the principal amount plus any accrued interest, or that the obligations under the Notes are subject to any change or variation in the terms and conditions of the Notes (which change will be to the detriment of the Noteholder), or that the Notes would be transferred to another entity (which may lead to a detrimental credit exposure) or are subject to any other measure if Resolution Measures occur.

Hierarchy of creditors' claims

The resolution regime envisages ensuring that holders of common equity tier 1 capital instruments (as shareholders) and holders of other own funds instruments bear losses first and that creditors bear losses after such holders of common equity tier 1 capital and other own funds instruments generally in accordance with the order of creditors applicable in regular insolvency proceedings for credit institutions. Generally, no creditor should incur a greater loss than it would have incurred if the institution had been wound up under regular insolvency proceedings (so called no creditor worse-off principle ("**NCWO**")), provided that this principle will not prejudice the ability of the competent resolution authority to use any resolution tool, but only lead to a compensation claim that may be raised by the affected person. Accordingly, the resolution authorities will generally exercise their power under the Bail-in Tool in a particular sequence so that (i) common equity tier 1 capital instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of additional tier 1 capital instruments being written down on a permanent basis or converted into common equity tier 1 capital instruments, (iii) thereafter, the principal amount of tier 2 capital instruments (such as the subordinated instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments and (iv) thereafter, certain eligible liabilities (potentially including some liabilities under and in connection with Notes other than subordinated instruments) in accordance with the hierarchy of claims of NORD/LB's creditors in normal insolvency proceedings being written down on a permanent basis or converted into common equity tier 1 capital instruments. In respect of the risk to NORD/LB Group it must be said that such hierarchy of claims may be subject to change.

In transposition of the BRRD, the German legislator has already changed the hierarchy of claims in regular insolvency proceedings for credit institutions and implemented a preferential treatment for certain claims of depositors. Therefore, Noteholders and other creditors of the Issuer might rank below certain depositors' claims and therefore have an increased likelihood of being subject to the risks arising from Resolution Measures. It is not unlikely, in particular considering the ongoing legislative procedure with a draft law proposal package dated 23 November 2016 amending the BRRD that this hierarchy will be further amended in the short term (potentially also with retroactive effect) including with the result of a subordinated treatment and thereby Noteholders having a lower ranking as claims of ordinary unsecured non-preferred creditors. In this respect, please see also the risk factor "Risks in relation to subordination and changes to hierarchy of claims" below.

The Revised State Aid Guidelines of the European Commission also have to be considered in this context. Accordingly, public support for a crisis ridden bank will generally only be available after shareholders, the holders of subordinated instruments and creditors of other (un)subordinated liabilities have contributed (by means of a write down, conversion or otherwise) to loss absorption and recapitalization in an amount equal to not less than 8% of the total liabilities (including own funds). This may mean that shareholders and many creditors of an affected bank are at risk to lose their invested capital and related rights as a result of application of resolution measures such as the Bail-in Tool and/or the Power to Write-Down and Convert Capital Instruments.

<u>Potential investor to consider related risks</u>

Potential investors in Notes should therefore take into consideration that, in the event of a crisis of NORD/LB or NORD/LB Group and thus already prior to any liquidation or insolvency or such procedures being instigated, they will be exposed to a risk of default and that, in such a scenario, it is likely that they will suffer a partial or full loss of their invested capital, or that the Notes or other debt will be subject to a conversion into one or more equity instruments (e.g. capital stock) of NORD/LB. Potential investors in the Notes should be aware that extraordinary public financial support for troubled banks, if any, would only potentially be used as a last resort after having assessed and exploited, to the maximum extent practicable, the Resolution Measures, including the Bail-in-Tool and/or Power to Write-Down and Convert Capital Instruments.

Investors in the subordinated instruments should note that such are issued with the aim of being recognised as supplementary Tier 2 capital pursuant to CRR and some of the unsubordinated instruments may be issued with the aim of being recognised for the purposes of fulfilling MREL and further given the applicable state aid guidelines (which require strengthened burden sharing requirements by banks' creditors), the SRM Regulation, the SAG as well as the BRRD and the related Bail-in Tool, investors in subordinated instruments and other instruments in particular should take into consideration that they may be significantly affected by such aforementioned procedures and measures (which may lead to the loss of the entire investment). Further, any other creditor of NORD/LB and its Subsidiaries may also be affected by such measures.

As a consequence, the FMSA, the SRB or any other competent authority might in any such situation be entitled, *inter alia*, to demand – for instance as a prerequisite for the granting of state or similar extraordinary public financial support – that any interest may not be paid and that the nominal amount of instruments (such as any of the instruments but taking into account the hierarchy of claims) be reduced down to zero, variation of the terms and conditions of the Notes in other aspects (e.g. variation of the maturity of a debt instrument) or impose other regulatory measures, including, but not limited to, conversion of the respective Notes or any other debt into one or more equity instruments (e.g. capital stock). Any such regulatory measure may release NORD/LB or NORD/LB and its Subsidiaries from its obligations under the terms and conditions of the Notes or any other debt. In such circumstances, Noteholders would not be entitled to terminate, or otherwise demand early redemption of, the Notes or any other debt, or to exercise any other rights in this respect. In this context, in particular the hierarchy of claims of NORD/LB's creditors in normal insolvency proceedings and the liability cascade provided for by the BRRD and the SAG must be taken into account.

Also, the aforementioned measures may produce comparable results from an economic point of view for creditors concerned, e.g. the initial debtor (i.e. NORD/LB) may be replaced by another debtor (who may have a fundamentally different risk profile or creditworthiness than NORD/LB). Alternatively, the claims of bank creditors against the institution concerned may continue to exist while the institution's assets, its area of activity or creditworthiness are no longer the same. Alternatively, the claims may remain with the original debtor, but the Issuer's legal or economic situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical (and may have significantly deteriorated compared to the situation prevailing prior to the application of the relevant measure), to the situation prior to the application of the measure.

Further, even though any Resolution Measure or an Early Intervention Measure may not in all cases directly interfere with the rights of Noteholders or other creditors of the Issuer, already the mere fact that the SRB, the FMSA or another competent authority prepares or applies any Resolution Measure or any Early Intervention Measure towards NORD/LB or NORD/LB and its Subsidiaries or even a different credit institution may have a negative effect, e.g. on the market value, pricing or liquidity of liabilities issued by NORD/LB or NORD/LB's and its Subsidiaries, their volatility, on the rating of NORD/LB or NORD/LB and its Subsidiaries or on NORD/LB's or NORD/LB's and its Subsidiaries' ability to refinance itself or its refinancing costs or otherwise have a material adverse effect on the operating results and financial position of NORD/LB or NORD/LB and its Subsidiaries.

Rights of creditors may be adversely affected by measures pursuant to Kreditinstitute-Reorganisationsgesetz.

As a German credit institution, NORD/LB and some of its German subsidiaries are subject to the Kreditinstitute-Reorganisationsgesetz ("**KredReorgG**") which *inter alia* introduced special restructuring schemes for German credit institutions consisting since 1 January 2011: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to § 2 et seqq. of the KredReorgG and (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to § 7 et seq. of the KredReorgG.

These aforementioned procedures under the KredReorG are additional measures next to potential measures, steps and proceedings under the SRM. The difference is that the aforementioned procedures under the KredReorG are only commenced upon respective initiation by the affected credit institution whereas measures, steps and proceedings under the SRM do not require consent or approval by the affected credit institution. Whereas a restructuring procedure pursuant to the KredReorG may generally not directly interfere with rights of creditors of a credit institution, the reorganisation plan established under a reorganisation procedure pursuant to the KredReorG may provide for measures that affect the rights of the credit institution's creditors including a reduction of existing claims or a suspension of payments. Such measures may, however, not affect the asset pool serving as cover for Pfandbriefe. The measures proposed in the reorganisation plan are subject to a particular majority vote mechanism of the creditors and shareholders of the respective credit institution so that dissenting creditors may be overruled. Furthermore, the KredReorgG stipulates detailed rules on the voting process and on the required majorities and to what extent negative votes may be disregarded. Measures pursuant to the KredReorgG are instituted only upon the respective credit institution's request and respective approval by the competent regulatory authority and the competent higher regional court (*Oberlandesgericht*). Claims of the Noteholders and other creditors of the Issuer may therefore be adversely affected by any restructuring or reorganisation procedure (or the announcement thereof), including the perception of the market that a Resolution Measure pursuant to the resolution framework relating to the BRRD, the SAG and the SRM may soon be taken with the risks for such creditors that can have the same extent as the risks arising from Resolution Measures themselves (please see "*The rights of creditors may be adversely affected by resolution measures (including the Bail-in Tool and the Power to Write-Down and Convert Capital Instruments), the Single Resolution Mechanism, and measures to implement the BRRD*").

Risks in relation to subordination and changes to hierarchy of claims

Creditors are exposed to a risk of subordination in connection with future amendments to German law in particular in connection with the BRRD and the SRM Regulation or other (future) European banking resolutions framework laws. A different insolvency related hierarchy of claims in respect of claims such as eligible liabilities may be introduced or changed by mandatory law, including with retrospective effect. This may mean that creditors of certain types of Notes might incur losses or otherwise be affected (e.g. by application of the Bail-in Tool) before creditors of other "senior" eligible liabilities will need to absorb losses or otherwise be affected.

The German legislator has already changed the hierarchy of claims in regular insolvency proceedings and implemented a preferential treatment for certain claims of depositors. Therefore, Noteholders and other creditors of NORD/LB might rank below certain depositors' claims and therefore have an increased likelihood of being subject to the risks arising from Resolution Measures.

Pursuant to Section 46f (5)-(7) of the German Banking Act (Kreditwesengesetz, the "**KWG**"), certain unsecured und unsubordinated debt instruments of the Issuer (hereinafter referred to as "**Non-Preferred Senior Obligations**") rank below the Issuer's other senior liabilities (hereinafter referred to as "**Preferred Senior Obligations**") in insolvency or in the event of the imposition of resolution measures, such as the Bail-in-Tool, affecting the Issuer. Non-Preferred Senior Obligations will continue to rank above the Issuer's contractually subordinated liabilities, including subordinated notes issued under a prospectus referring to this Registration Document. This order of priority would apply in a German insolvency proceeding or in the event of the imposition of resolution measures with the respect to the Issuer with effect for any senior unsecured debt instruments outstanding at this time. Among the Preferred Senior Obligations are, as defined in Section 46f (7) KWG, senior unsecured debt instruments whose terms provide that (i) the amount of repayment depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued, or settlement is effected in a way other than by monetary payment, or (ii) the amount of the interest payments depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued unless the amount of the interest payments solely depends on a fixed or floating reference interest rate, and settlement is effected by monetary payment. Unsecured and unsubordinated Securities issued under a prospectus referring to this Registration Document that do not meet the terms described in (i) or (ii) above, are, therefore, expected to constitute Non-Preferred Senior Obligations that would bear losses in a German insolvency proceeding for credit institutions or in the event of the imposition of resolution measures before Preferred Senior Obligations. In a German insolvency proceeding or in the event of the imposition of the Bail-in Tool with respect to the Issuer, the competent resolution authority or court would determine whether unsecured and unsubordinated instruments issued under a prospectus referring to this Registration Document qualify as Preferred Senior Obligations or as Non-Preferred Senior Obligations. FMSA, BaFin and the German Central Bank published a joint interpretative guide on the classification of certain liabilities under Section 46f (5)-(7) KWG.

As a consequence, the hierarchy of claims provided for under the German Banking Act now or in the future could lead to increased losses for creditors of instruments considered as Non-Preferred Senior Obligations which shall rank junior to claims of ordinary unsecured non-preferred creditors of the Issuer in a regulary insolvency scenario and consequently also already when Resolution Measures are implemented, in particular by application of the Bail-in-Tool. Also, considering the proposal for a Directive amending the BRRD published on 23 November 2016 by the European Commission, it is not unlikely that the hierarchy of claims as provided by the KWG will be further amended (also with retroactive effect) including with the result of a subordinated treatment and thereby allocating claims in relation to Notes (affecting claims under certain Notes partially or wholly) to have a lower and subordinated ranking in comparison to claims of ordinary unsecured preferred creditors of NORD/LB.

Risks in relation to separation of proprietary trading and other high-risk trading from other banking business

Upon request from the then EU Internal Markets Commissioner Michel Barnier, a group of experts led by Erkki Liikanen proposed a set of recommendations for structural reforms to promote financial stability and efficiency of the EU banking sector which were published in October 2012 (the so-called Liikanen Report). In this respect, the EU Commission presented proposals for the future bank structure in the EU on 29 January 2014, in particular with respect to the so-called “system of institutional separation of commercial and investment banking functions” (*Trennbankensystem*). Thus, the largest and most complex EU banks with significant trading activities (measured as the ratio of trading activities to total assets or in terms of the absolute trading volume) shall be prevented from engaging in proprietary trading in financial instruments and commodities and from investing, directly or indirectly, in leveraged hedge funds. Moreover, supervisors shall be granted authority to require the transfer of other high-risk trading activities (potentially including market-making activities, complex derivatives and securitisation operations) to a separate trading entity within the group. Compared to the German system of institutional separation of commercial and investment banking functions described below, the EU Commission’s proposals in this respect provide for divergent thresholds, and thus for a broader scope, and presumably also for a more extensive definition of critical trading activities which are subject to separation. The details of the upcoming EU legislation are, however, still being negotiated and may, therefore, be subject to changes.

In August 2013, the German “Act on ring-fencing of risks and on the planning of recovery and resolution of credit institutions” (“**Trennbankengesetz**”) was published in the German Federal Gazette. Pursuant to the Trennbankengesetz, credit institutions carrying out deposit and lending business and exceeding certain thresholds will be required to either cease prohibited high-risk activities (proprietary trading, high-frequency trading, lending and providing guarantees to leveraged hedge funds) or to segregate them from the other business areas by transferring them into a separate financial trading subsidiary. This separation requirement applies to banks whose trading portfolio and liquidity reserves either exceed EUR 100 billion (absolute threshold) or exceed 20% of total assets and amount to at least EUR 90 billion (relative threshold). Hedging activities performed to hedge transactions with clients or to manage interest rate, currency, liquidity and credit risk, are exempted from the prohibited activities. Equally, market-making activities and long-term equity investments are not subject to separation. Also, such separation may result in higher financing costs for the separated activities that could adversely affect the Issuer’s business, financial condition and results of operations. In this regard, there are still legal and factual uncertainties as to which business operations would be required to be separated. The BaFin has not only been granted broad discretion in this respect, the scope of these legal regulations is also open to differing interpretations.

As a part of the US Dodd-Frank Wall Street and Consumer Protection Act, the so-called “Volcker Rule” (Section 619) was adopted on 10 December 2013, came into force on 1 April 2014, but provided for a two-year “conformance period” which has been extended until 21 July 2016.

The Final Rule contains provisions prohibiting certain banking entities from engaging in “proprietary trading” or acquiring or retaining an ownership interest in, sponsoring or having certain relationships with “covered funds”. Even though this Rule was adopted in the Unites States, foreign banking entities could be affected by it, e.g. if they maintain a branch or agency in the United States.

The ban of proprietary trading means that, as a basic principle, an affected banking entity is barred from engaging in the purchase or sale of certain financial positions as principal for its own trading account. The prohibited financial positions are securities, derivatives and their respective options, inter alia. There are several exemptions to the ban of proprietary trading for foreign banking entities, such as a permission of trading that occurs “solely outside the U.S.” (SOTUS).

Even though it is currently not clearly foreseeable how the future EU proposals in relation to the Liikanen Report and/or an application of the Trennbankengesetz and the Volcker Rule will affect creditors’ rights, it is conceivable that, if NORD/LB and its Subsidiaries must separate certain trading activities, NORD/LB and its Subsidiaries may have a fundamentally different risk profile or creditworthiness or that this may result in other negative effects on the business model and/or the profitability of NORD/LB and its Subsidiaries or that this may have other negative impact on NORD/LB and its Subsidiaries business model which in turn may have a material prejudicial effect on rights of the Issuer's creditors.

Risks in relation to the impacts of current European economic and political developments

Even though the burdens arising from the debt crisis are lower than in the past, the progress of structural adjustments in the Euro area will remain in the focus of the capital markets. The debt crisis still remains one of the greatest economic risks for the Euro area since for many member states the reduction of financial deficits and the government debt ratio remain challenging tasks.

In the European Union ("**EU**") membership referendum held on 23 June 2016, the United Kingdom voted to leave the EU. The according official application was filed on 29 March 2017. The withdrawal may make free access to the Single European Market more difficult for the UK, which would mean the loss of a strong economic partner for the EU. The effects that this will have on individual asset classes (such as project financing, structured finance and real estate financing) depend on the results of the negotiations between the UK government and the EU Commission, which will be assessed by the Bank in a timely and appropriate manner.

Should Greece, or any other Euro area country exit the monetary union, the resulting need to reintroduce a national currency or substitute the Euro with another supranational currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences. Given the highly interconnected nature of the financial system within the Euro area and the levels of exposure NORD/LB and its Subsidiaries have to public and private counterparties around Europe, NORD/LB's and its Subsidiaries'ability to plan for such a contingency in a manner that would reduce NORD/LB's and its Subsidiaries' exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the Euro area, nearly all of NORD/LB and its Subsidiaries' business segments, including its more stable flow businesses, could be adversely affected, and if NORD/LB and its Subsidiaries is forced to write down additional exposures, NORD/LB and its Subsidiaries could incur substantial losses.

1.2. Description of Norddeutsche Landesbank – Girozentrale –

1.2.1. Auditors

The consolidated financial statements of NORD/LB Group for the financial year 2016 (the "**Consolidated Financial Statements 2016**") and the group management report (*Konzernlagebericht*) were audited in accordance with Section 317 German Commercial Code (*Handelsgesetzbuch,* the "**HGB**") and the German generally accepted auditing standards (the "**German GAAS**") by KPMG AG Wirtschaftsprüfungsgesellschaft, Osterstraße 40, 30159 Hanover ("**KPMG**"). KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Consolidated Financial Statements 2016 and the group management report of NORD/LB Group for the financial year 2016.

The unconsolidated financial statements of Norddeutsche Landesbank – Girozentrale – for the financial year 2016 (the "**Annual Accounts 2016**") were prepared in accordance with German generally accepted accounting principles (the "**German GAAP**") and have been audited, together with the management report (*Lagebericht*), in accordance with Section 317 HGB and German GAAS by KMPG. KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Annual Accounts 2016 and the management report of Norddeutsche Landesbank – Girozentrale – for the financial year 2016.

The consolidated financial statements of NORD/LB Group for the financial year 2015 (the "**Consolidated Financial Statements 2015**") and the management report (*Konzernlagebericht*) were audited in accordance with Section 317 HGB and German GAAS by KPMG. KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Consolidated Financial Statements 2015 and the group management report of NORD/LB Group for the financial year 2015.

The Consolidated Financial Statements 2015 and the Consolidated Financial Statements 2016 were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB.

KPMG is a member of the German Chamber of Auditors (*Deutsche Wirtschaftsprüferkammer*).

1.2.2. General information relating to the Issuer

The Issuer was established in the Federal Republic of Germany on 1 July 1970 through a merger of four financial institutions: Niedersächsische Landesbank – Girozentrale –, Braunschweigische Staatsbank including Braunschweigische Landessparkasse, Hannoversche Landeskreditanstalt and Niedersächsische Wohnungskreditanstalt – Stadtschaft. With the formation of Norddeutsche Landesbank – Girozentrale –, all rights and obligations of the predecessor institutions were transferred to Norddeutsche Landesbank – Girozentrale – by way of universal legal succession (*Gesamtrechtsnachfolge*).

The Issuer is registered in the commercial register (*Handelsregister*) A of the local court of Hanover (*Amtsgericht Hannover*) under number HRA 26247, in the commercial register (*Handelsregister*) A of the local court of Brunswick (*Amtsgericht Braunschweig*) under number HRA 10261 and in the commercial register (*Handelsregister*) A of the local court of Stendal (*Amtsgericht Stendal*) under number HRA 22150.

The Issuer is a public law institution incorporated under German public law with legal capacity (*rechtsfähige Anstalt des öffentlichen Rechts*) governed by the state treaty dated 22 August 2007 between the German Federal States of Lower Saxony (*Niedersachsen*), Saxony-Anhalt (*Sachsen-Anhalt*) and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*) as amended on 12 July 2011, which came into force on 31 December 2011, (the "**State Treaty**") and the Issuer's Articles of Association (*Satzung*) approved by resolution of the Owners' Meeting (*Trägerversammlung*) on 3 April 2017, which became effective on the same day (the "**Articles of Association**").

The Issuer has its registered offices in the cities of Hanover, Brunswick and Magdeburg and is headquartered in Hanover. The respective business addresses are:

Friedrichswall 10
30159 Hannover
Germany
Telephone: + 49 5 11/3 61-0
Telefax: + 49 5 11/3 61-2502

Friedrich-Wilhelm-Platz
38100 Braunschweig
Germany
Telephone: +49 5 31/4 87-0
Telefax: +49 5 31/4 87-3073

and

Breiter Weg 7
39104 Magdeburg
Germany
Telephone: +49 3 91/5 89-0
Telefax: +49 3 91/5 89-1715

Norddeutsche Landesbank – Girozentrale – is governed by the statutory provisions of Germany. Its commercial name is NORD/LB.

The supervisory authorities in charge of NORD/LB are the European Central Bank (ECB), Sonnemannstraße 20, D-60314 Frankfurt am Main, and the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleitungsaufsicht* - BaFin), Graurheindorfer Str. 108, D-53117 Bonn, and Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main.

1.2.3. Issuer's ratings and ratings for the debt instruments of Norddeutsche Landesbank – Girozentrale –

The Issuer has the following credit ratings. The ratings were issued by Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany ("**Moody's**") and Fitch Deutschland GmbH, Neue Mainzer Landstrasse 46-50, 60311 Frankfurt am Main, Germany ("**Fitch**"). The current ratings of Norddeutsche Landesbank – Girozentrale – are published on its website https://www.nordlb.com/nordlb/investor-relations/investor-information/rating-ranking/.

Baseline Credit Assessment (BCA) of NORD/LB

	Baseline Credit

	Assessment Rating
Moody’s	b1

Viability rating of NORD/LB

	Viability rating
Fitch	bb

Ratings for senior unsecured long-term NORD/LB liabilities

	Non-guaranteed	guaranteed[1]
Moody’s	Baa2*	none
Fitch	A -	AAA

* In principle Moody’s rates NORD/LBs senior unsecured long-term liabilities Baa2. Since 21 November 2016 Moody's assigns a better rating to some of the relevant liabilities.

Ratings for subordinated NORD/LB liabilities:

	Subordinated	Rating for non-cumulative preferred securities
Moody’s	Ba3	Caa2 (hyp)

Ratings for NORD/LB covered bonds (Pfandbriefe):

	Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*)	**Mortgage Pfandbriefe (*Hypotheken-pfandbriefe*)**	**Aircraft Pfandbriefe (*Flugzeug-pfandbriefe*)**
Moody’s	Aaa	Aaa	A1

The ratings of the rating agencies Moody's and Fitch have the following meaning:

Moody’s definitions[2]:

Moody’s rating scale for baseline credit assessment rating ranges from aaa (highest intrinsic, or standalone, financial strength) to c (default).

b1	Issuers assessed b are judged to have speculative intrinsic, or standalone, financial strength, and are subject to high credit risk absent any possibility of extraordinary support from an affiliate or a government. Moody’s appends numerical modifiers 1, 2, and 3 to each generic assessment classification from aa through caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic assessment category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic assessment category.

[1] The ratings for guaranteed liabilities apply to all guaranteed liabilities entered into no later than 18 July 2001 and transactions concluded in the transition period from 19 July 2001 to 18 July 2005 with a maximum term to 31 December 2015.

[2] Source: Moody’s Investors Service „Rating Symbols and Definitions“, December 2016; http://www.moodys.com.

Moody's rating scale for long-term securities and covered bonds (Pfandbriefe) ranges from Aaa (Best Quality, low default risk) to C (highest default risk).

Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.

Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Ba	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
B	Obligations rated B are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

Fitch definitions[3]*:*

Fitch's rating scale for viability ratings range from aaa (highest fundamental credit quality) to f (highest risk of default).

bb	'bb' ratings denote moderate prospects for on-going viability. A moderate degree of fundamental financial strength exists, which would have to be eroded before the bank would have to rely on extraordinary support to avoid default. However, an elevated vulnerability exists to adverse changes in business or economic conditions over time.
+/-	The modifiers '+' or '-' may be appended to a rating to denote relative status within the categories 'aa' to 'b'.

Fitch's rating scale for long-term obligations and covered bonds (Pfandbriefe) ranges from AAA/Aaa (highest credit quality) to D (highest risk of default).

AAA	AAA ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	AA ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

[3] Source: Fitch Ratings, "Rating Definitions", March 2017, https://www.fitchratings.com/site/definitions

A	A ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
+/-	The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.

Moody's and Fitch are established in the European Union and are currently registered pursuant to Regulation (EC) no 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**"). Moody's and Fitch are listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu) in accordance with the CRA Regulation.

1.2.4. Recent events in the business activities of Norddeutsche Landesbank – Girozentrale –

EU-wide stress tests

ECB has conducted comprehensive assessments comprising an asset quality review (the "**AQR**") and a stress test which is performed in cooperation with the EBA and carried out based on the EBA methodology. By the end of 2014 NORD/LB Group has passed the requirements of the comprehensive assessment of the ECB including the EBA stress test. Such kind of stress tests and similar exercises can be reintroduced any time in the future again. Further to a comprehensive assessment and a first stress test exercise in 2014, the European Banking Authority EBA has also conducted an EU-wide stress test exercise in 2016 in which NORD/LB Group was one of the 51 banking groups that were subject to such stress test exercise. The stress test exercise has commenced at the end of the first quarter of 2016.

Different from previous stress tests, no capital thresholds have been defined. However, respective competent authorities may use the stress test results as an input to the Supervisory Review and Evaluation Process ("**SREP**") and require the related bank to comply with additional prudential requirements on such basis. The final results of the 2016 EU-wide stress test have been published by EBA on July, 29th, 2016. Furthermore, NORD/LB submitted the ECB's transparency exercise survey in September. The data collected from all banks surveyed was published on the website of the EBA in December 2016. Another stress test was announced for mid 2017.

Loan Loss Provisions with regard to the Shipping Portfolio

In particular in 2016, the once more intensified shipping crisis led to a considerable increase in expected losses in the entire credit portfolio and therefore in loan loss provisions. Due to the high share of US-Dollar denominated assets in the shipping portfolio, the strong appreciation of the US Dollar against the Euro added to this development. The ongoing difficult market-conditions in ship financing lead to a further deterioration of the ship financing portfolio.

In the Ship Customers segment, the NORD/LB Group focused mainly on downsizing the portfolio. Thus, the current Group volume is to be pared down to between Euro 12 and 14 billion by the end of 2018. In addition, the systematic conversion and diversification of the portfolio, primarily in terms of regions, customers and asset classes, was advanced further. The Group-wide focus here is on a reduction of the commercial shipping portfolio.

Provisions to stabilize the capital ratios

To strengthen its regulatory capital ratios, NORD/LB strives for a reduction of the total risk exposure amount in the context of a transaction. An according agreement was signed on 5 April 2017. The relieving effects will become effective in the second quarter 2017.

Legal integration of Bremer Landesbank

Because of negative developments in Bremer Landesbank's traditionally heavy exposure to the crisis - plagued ship financing segment, an agreement in principle regarding the total acquisition of the already fully consolidated Bremer Landesbank was concluded in the third quarter 2016. On 7 November 2016, NORD/LB acquired all Bremer Landesbank shares held by the Free Hanseatic City of Bremen and the Savings Banks Association of Lower Saxony, with legal effect from 1 January 2017. The share acquisition took effect on 1 January 2017 subject to the conditions precedent, including the approval of the German Federal Cartel Office, the revision of the state treaty and the approval of the Supervisory Board and Owners' Meeting.

In connection with the acquisition of all shares of Bremer Landesbank by NORD/LB, the two companies concluded a control agreement with loss pass-through rights in January 2017. In addition, NORD/LB issued an un-restricted comfort letter in favour of Bremer Landesbank.

As a result of further extensive risk provisioning expenditures for troubled ship loans, Bremer Landesbank was no longer able to meet the minimum Tier 1 capital ratio requirement at the end of 2016, and its risk-bearing capacity no longer satisfied MaRisk. For this reason, it was necessary for NORD/LB to increase capital in order to strengthen Bremer Landesbank's capital reserves and reduce the pressure on its regulatory capital ratios. The capital measure in the amount of € 400 million was carried out with effect on 21 March 2017.

Bremer Landesbank has applied for a waiver in accordance with § 2a para. 1 and 2 of the German Banking Act (KWG) in conjunction with Art. 7 para. 1 CRR in order to obtain relief from capital requirements which was approved on 31 March 2017.

On 6 April 2017 the Management Board of NORD/LB has resolved to strive for a merger between NORD/LB and Bremer Landesbank within the calendar year 2017 and to initiate all necessary steps in such respect. Bremer Landesbank will in future concentrate mainly on corporate customers, private banking and energy financing in Germany as a bank focused on small and mid-sized companies situated in north-west Germany. Ship financing, which was previously run as separate business segments in both firms, will be brought together at NORD/LB. The intention is to combine the capital markets business of the two banks as well. The decision to merge Bremer Landesbank with NORD/LB is still subject to the consent of the relevant bodies of both Banks. Full integration of Bremer Landesbank into NORD/LB is the first step in the new Group-wide "One Bank" transformation programme. Details of the integration of Bremer Landesbank into NORD/LB will be developed as part of a joint project by the two banks and then implemented. The goal is to complete the final stage by 2020.

1.2.5. Business overview / Principal activities / Responsibilities and Functions

The Issuer is a

(i) **commercial bank** (*Geschäftsbank*),

(ii) **federal state bank** *(Landesbank)* for, the German Federal States of Lower Saxony and Saxony-Anhalt and

(iii) **central savings and clearing bank** (*Sparkassenzentralbank (Girozentrale)*) acting on behalf of various savings banks (*Sparkassen*) located in the German Federal States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania.

NORD/LB is a commercial bank, Landesbank (federal state bank) and central bank for the savings banks operating in Northern Germany and beyond this core region, with domestic branches in Hamburg, Munich, Düsseldorf, Schwerin and Stuttgart. The foreign branches in London, New York, Shanghai and Singapore play a significant role, ensuring its presence in all the important financial and trade markets. As legally dependent business units, the branches pursue the same business model as NORD/LB. The values of trust, responsibility and sustainability applied throughout NORD/LB are complemented by the reliability and transparency of the branches.

As a commercial bank, NORD/LB offers financial services to private customers, corporate customers, institutional customers and the public sector. Under the name of Braunschweigische Landessparkasse, Braunschweig, NORD/LB performs the function of a savings bank in the Braunschweig region and maintains a close network of branches in this region. NORD/LB also participates in the structured financing of international projects, particularly in the energy, infrastructure, ship, aircraft and real estate sectors.

As a federal state bank for the states of Lower Saxony and Saxony Anhalt, it performs the functions of a central and clearing bank for the savings banks (*Girozentrale*). The bank also handles promotional loans on behalf of the federal states through Investitionsbank Sachsen-Anhalt – Anstalt der Norddeutschen Landesbank Girozentrale – (institute of Norddeutsche Landesbank Girozentrale), and through Landesförderinstitut Mecklenburg-Vorpommern – Geschäftsbereich der Norddeutschen Landesbank Girozentrale – (division of Norddeutsche Landesbank Girozentrale).

NORD/LB acts as a central savings bank for the savings banks in Mecklenburg-Western Pomerania, Saxony Anhalt and Lower Saxony and is the partner for all of the savings banks in these states. It also acts as a service provider for savings banks in other German states such as Schleswig-Holstein. NORD/LB provides all of the services which the savings banks require for their activities.

In the NORD/LB Group, NORD/LB acts as the parent company, controlling all of the business activities in line with the strategic objectives, creating synergies, reinforcing the customer divisions and bundling service offerings. The NORD/LB Group comprises among others

- Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen („**Bremer Landesbank**“),
- Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover („**Deutsche Hypo**“),
- Norddeutsche Landesbank Luxembourg S. A., Covered Bond Bank, Luxembourg-Findel („**NORD/LB Luxembourg**“) and
- NORD/LB Asset Management AG, Hanover.

The Bank also maintains additional investments.

Business Segments

Since the beginning of 2015, the Issuer conducts its business through the following seven business segments:

- Private and Commercial Customers;
- Corporate Customers;
- Markets;
- Energy and Infrastructure Customers;
- Ship Customers;
- Aircraft Customers and
- Real Estate Banking Customers.

Private and Commercial Customers

The “Private and Commercial Customers’ segment of NORD/LB comprises the business with retail and private banking customers as well as with business, commercial and corporate customers in the region of Braunschweig and in Hanover. In Hamburg, services are provided for retail and private banking customers. While NORD/LB uses its own name when serving customers in Braunschweig and in Hanover, in the Braunschweig region it trades under the name of “Braunschweigische Landes-sparkasse” (BLSK).

Braunschweigische Landessparkasse is a sales savings bank with an extensive presence in the three areas of Braunschweig, North/East and South/West. The North/East includes Helmstedt, Vorsfelde, Wolfenbüttel and Bad Harzburg, while the South/West includes Salzgitter, Seesen and Holzminden.

The Braunschweigische Landessparkasse carries out its business in 93 locations. Over and above this, customers receive services by telephone and via an online branch, regardless of where they are.

The aim is to strengthen the leading market position in the business by expanding market share in the promising fields of the private and commercial customer segment. Moreover, NORD/LB also wants to become the partner of choice in private banking among business customers on the market thanks to its excellent service and outstanding advisory services.

Corporate Customers

NORD/LB conducts its corporate customer business in its core region (excluding the business region of the Braunschweigische Landessparkasse) and in other selected locations around Germany. This comprises SME customers as well as agricultural banking and housing. As regards network business, NORD/LB supports the savings banks and their customers with an extensive range of products as part of syndicate business.

NORD/LB provides its corporate customers with a variety of traditional banking products and banking services. Its services include transaction management, tailored corporate financing, management of interest and currency risk, and complex corporate financing. Professional liquidity and risk management, the structuring of equity measures and innovative financing instruments supplement the product range.

Markets

By means of the Markets segment, NORD/LB AöR accesses the market for financial market activities conducted on behalf of customers. The segment is also responsible for the sales of savings banks and institutional customers. These customers mainly include insurance companies, asset managers, investment companies, banks and savings/regional banks, central banks, pension funds, the German federal government and the individual federal state governments as well as social insurance funds. Corporate Sales provides advice and support for financial market products in other business segments.

Traditional capital market products as well as alternative products not found in mass banking, including derivatives, e.g. special types of debt and tailored capital-market products for institutional customers such as corporate promissory note, the structuring of special funds, pool fund solutions, portfolio management mandates and institutional public funds are all offered. The secondary business includes sales and trading with all kinds of securities.

The Markets segment follows a customer-focused growth strategy. This involves intensifying the services and care of existing customers with a consistent multi-product approach, systematically acquiring new customers (regional banks, savings banks, pension funds) and strengthening placement activity in Asia and North America. This is designed to provide a firm basis for the placement and risk distribution products of NORD/LB and its cooperation partners among customers and investors.

The range of products and services in the Markets segment is rounded off with promotional business, used by almost all of the network savings banks.

Within its savings bank network the Markets segment of NORD/LB provides the savings banks with both retail and capital market products. The savings bank network business also includes the KfW promotional business and the relationship function with the publicly-owned savings banks.

Energy and Infrastructure Customers

In the Energy and Infrastructure Customers segment the focus is placed on financing the growth industry of renewable energies and public infrastructure. The key locations are Hanover and London, while customers are also advised and sup-ported from New York and Singapore. The activities include the structuring and provision of tailored financing solutions for project transactions. The involvement of institutional investors in hybrid financing structures and the improved refinancing opportunities as a result highlight the market conformity of this segment.

In the field of energy, the financing relates mostly to new constructions and capacity expansions of wind and photovoltaic plants. The core business area is Germany and other selected European countries, based on cooperation with established project developers, operators and plant manufacturers. Based on advisory mandates, NORD/LB supports the international spread of German project development know-how as well as the export of German technology. NORD/LB was a pioneer in this business segment, where it has been an active player for around 30 years. Gas power plants and gas pipeline projects are also financed on the US market.

The main focus in the Infrastructure segment is financing projects in the social and public sectors (public-private partnerships / public-finance initiatives), such as the building of universities, schools or public hospitals, or the development of transport infrastructure. NORD/LB supports its customers with professional expertise and many years of local industry knowledge, from the beginning of tenders right through to the end of the contract.

The purposeful expansion of business volumes in these growth sectors helps to diversify risks and bolster the long-term earnings stability of NORD/LB. Growing the number of worldwide advisory mandates and bringing in new institutional structuring partners are modernising tried-and-tested syndication structures and opening up new earnings opportunities. This area is consolidating its position on the market through the regional expansion of advisory and structuring activities, and raising its long-term commission revenues.

Ship Customers

The Ship Customers segment comprises asset-related ship financing and operates mainly from Hanover, supported by the branches in Hamburg and Singapore. The many years of expertise with this type of asset and the ability to develop tailored financing solutions for customers are used to position NORD/LB on the global market for ship financing. Traditional financing products are complemented with a range of additional services that make it possible for NORD/LB to offer its customers integrated solutions from one provider.

Since there has been a sustained drop in the outlook for the global ship industry, a decision was made in 2016 to scale back exposures to ship financing considerably by the end of 2018.

Nonetheless, ship financing remains a key segment for NORD/LB, which will continue to position itself as a competent partner in the ship financing market. Business volumes are being purposefully increased with cruise ships and ferries as well as in the special tonnage category, alongside a marked reduction for commercial shipping. Appropriate placement and refinancing instruments are also used with a view to managing and optimising the portfolio proactively. The target customers are principally shipping companies and domestic shipyards that have good credit ratings backed up by convincing and crisis-tested market strategies.

The business approach is being purposefully developed further through the continued diversification of the portfolio based on a more balanced distribution of assets and regions and by developing and expanding the range of products.

Aircraft Customers

In the Aircraft Customers segment the business activities focus on asset financing, where the range of products focuses on the needs of aircraft leasing companies and airlines.

NORD/LB has been active in this business field for more than 30 years and has long since been one of the leading providers of commercial aircraft financing. The objective is to cement this good position on the global market. This business segment is based in Hanover, and is supported by other sales units in New York and Singapore.

The range of products covers traditional and innovative types of financing that centre around operating leases and portfolio transactions. Alongside credit products, advisory, agency and cross-selling services are provided too in order to satisfy the needs of customers and investors to the full.

In terms of assets, NORD/LB primarily deals with modern and fungible commercial aircraft made by renowned manufacturers. For two years now, efforts have also been made to broaden know-how towards helicopter financing. Proactive portfolio management and optimisation through appropriate placement and refinancing instruments are used to reinforce the good position held by this segment.

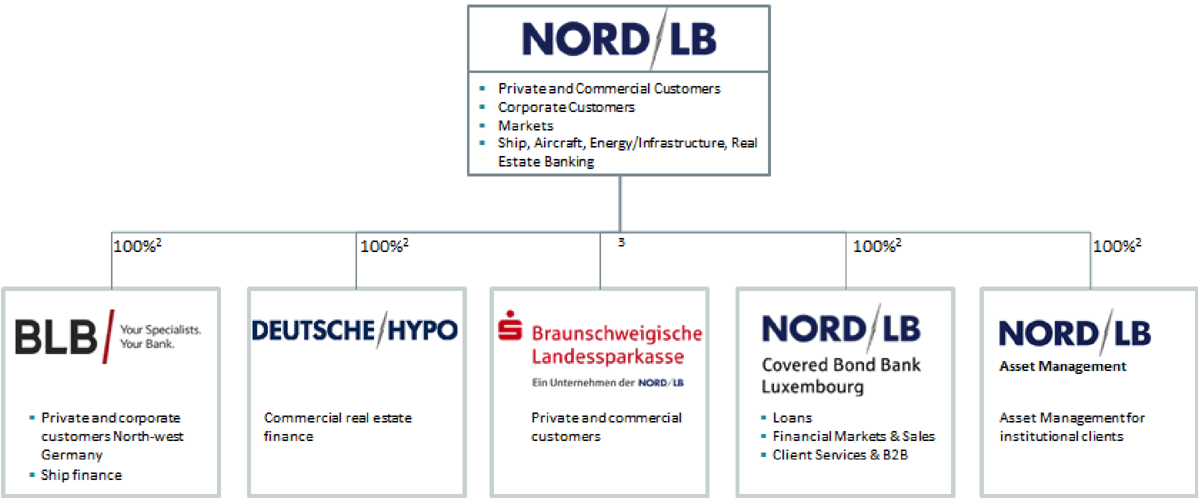
Real Estate Banking Customers

Deutsche Hypo is the competence centre for commercial real estate financing segment at the NORD/LB Group. This is why the commercial real estate business is located here. NORD/LB has a small credit portfolio on risk, handled by Deutsche Hypo as part of an agency contract.

This real estate portfolio of NORD/LB largely comprises existing financing in the markets of Germany, the United Kingdom, France and the Benelux countries. NORD/LB also has financing from the USA. Alongside financing for office and retail properties, the portfolio also contains financing for multi-storey buildings, hotels and logistics real estate.

Generally speaking, NORD/LB no longer takes on any new business. The real estate financing portfolio is to be phased out in the coming years as planned. The further strategic development of the commercial real estate financing segment will be driven forward at Deutsche Hypo.

1.2.6. Organisational Structure[1]



1) For additional information about equity holdings of the Issuer see pages 270 to 274 of the Annual Report of NORD/LB Group for the Financial Year 2016 as incorporated by reference into this Registration Document (see part 2.5 "Incorporation by reference"). That information is current as of the date of this Registration Document.
2) "NORD/LB ensures that all banks and financial institutions included in the Group accounts as wholly-owned subsidiaries of NORD/LB can meet their obligations."
3) Incorporated under public law with partial legal capacity.

The Issuer is the parent company of NORD/LB Group. NORD/LB Group comprises, *inter alia*, the fully consolidated subsidiaries Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, NORD/LB Luxembourg S.A. Covered Bond Bank, Deutsche Hypothekenbank (Actien-Gesellschaft), and NORD/LB Asset Management Holding GmbH
Further subsidiaries within NORD/LB Group in terms of German commercial law, are Braunschweigische Landessparkasse, Investitionsbank Sachsen-Anhalt and Landesförderinstitut Mecklenburg-Vorpommern, the first two incorporated as an *Anstalt in der Anstalt*, "AidA", the last-mentioned as division.

1.2.7. Information on trends

Since the date of its last published audited annual financial statements of 31 December 2016, there have been the following material adverse changes in the prospects of Norddeutsche Landesbank – Girozentrale –:
Effective as of 1 January 2017, NORD/LB acquired the outstanding non-controlling interests (45.2 per cent) of Bremer Landesbank, and now owns 100 per cent of shares in Bremer Landesbank. Effective on the same date, a controlling agreement with a loss compensation obligation was concluded between NORD/LB and Bremer Landesbank, and a letter of comfort was issued in favour of the Bremer Landesbank.

Triggered by risk provisioning in the shipping segment adapted to changed income expectations resulting from a further deterioration of the market situation, Bremer Landesbank recorded a net loss of about € 1.4 billion before taxes in 2016 which is already included in the Annual Report of NORD/LB Group for the Financial Year 2016. Subsequently, a capital increase of € 400.0 million became necessary for Bremer Landesbank.
On 6 April 2017 the Management Board of NORD/LB has resolved to strive for a merger between NORD/LB and Bremer Landesbank within the calendar year 2017 and to initiate all necessary steps in such respect.

1.2.8. Governing bodies of the Issuer

The governing bodies of the Issuer comprise:

- the **Managing Board** (*Vorstand*),
- the **Supervisory Board** (*Aufsichtsrat*) and
- the **Owners' Meeting** (*Trägerversammlung*)

The Managing Board

The Managing Board conducts the Issuer's business on its own responsibility and represents the Issuer both in and out of court.

The following chart shows the members of the Managing Board and the main mandates they hold outside the Issuer:

Name	Company	Mandates (outside activities)	
Thomas S. Bürkle (Chairman)	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – AöR	1.	Supervisory Board (Chairman)
		2.	Owner's Meeting (*Trägerversammlung*)
		3.	Risk Committee
		4.	Nomination Committee (Chairman)
		5.	Audit Committee (Chairman)
		6.	Remuneration Control Committee (Chairman) (*Vergütungskontrollausschuss*)
	Deutsche Hypothekenbank (Actien-Gesellschaft)	1.	Supervisory Board (Chairman)
		2.	Credit- and Risk Committee (Chairman)
		3.	Nomination Committee (Chairman)
		4.	Audit Committee
		5.	Remuneration Control Committee (*Vergütungskontrollausschuss*) (Chairman)
	Norddeutsche Landesbank Luxembourg S.A.Covered Bond Bank	1.	Supervisory Board (Chairman)
		2.	Presidential Committee (Chairman)
Dr. Hinrich Holm (Deputy Chairman)	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale AöR	1.	Supervisory Board
		2.	Risk Committee
		3.	Audit Committee
		4.	Remuneration Control Committee (*Vergütungskontrollausschuss*)
		5.	Nomination Committee
	BÖAG Börsen AG	Supervisory Board	

Name	Company	Mandates (outside activities)
	Caplantic GmbH	Supervisory Board (Chairman)
	Investitionsbank Sachsen-Anhalt AöR	Administrative Board
	LBS Norddeutsche Landesbausparkasse Berlin/Hannover	1. Supervisory Board 2. Audit Committee
	Lotto-Toto GmbH Sachsen-Anhalt	Supervisory Board (Chairman)
	NORD/LB Asset Management AG	Supervisory Board (Chairman)
	Öffentliche Lebensversicherung Sachsen-Anhalt AöR	Supervisory Board
	Öffentliche Feuerversicherung Sachsen-Anhalt AöR	Supervisory Board
	SALEG Sachsen-Anhaltinische Landesentwicklungsgesellschaft mbH	Supervisory Board (Deputy Chairman)
Ulrike Brouzi	NORD/LB Asset Management AG	Supervisory Board (Deputy Chairman)
	Norddeutsche Landesbank Luxembourg S.A. Covered Bond Bank	Supervisory Board
	Salzgitter AG, Stahl und Technologie	Supervisory Board
Christoph Dieng	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – AöR	1. Supervisory Board 2. Risk Committee (Chairman) 3. Remuneration Control Committee (*Vergütungskontrollausschuss*) 4. Audit Committee 5. Nomination Committee
	Deutsche Hypothekenbank (Actien-Gesellschaft)	1. Supervisory Board 2. Credit- and Risk Committee (Chairman) 3. Nomination Committee 4. Remuneration Committee (*Vergütungskontrollausschuss*) 5. Audit Committee (Deputy Member)

Name	Company	Mandates (outside activities)
	Norddeutsche Landesbank Luxembourg S.A. Covered Bond Bank	Supervisory Board (Deputy Chairman)
Christoph Schulz	NORD/LB Vermögensmanagement Luxembourg S.A.	Supervisory Board
	LBS Norddeutsche Landesbausparkasse Berlin/Hannover	Supervisory Board (Deputy Chairman)
	Toto Lotto Niedersachsen GmbH	Supervisory Board (Chairman)
	ÖVB - Öffentliche Lebensversicherung Braunschweig	1. Supervisory Board (Chairman) 2. Advisory Council (*Beirat*) (Chairman)
	ÖVB - Öffentliche Sachversicherung Braunschweig	1. Supervisory Board (Chairman) 2. Advisory Council (*Beirat*) (Chairman)
	ÖSA - Öffentliche Lebensversicherung Sachsen-Anhalt AöR	Supervisory Board (representative for regular member)
	ÖSA - Öffentliche Sachversicherung Sachsen-Anhalt AöR	Supervisory Board (representative for regular member)
Günter Tallner	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – AöR	1. Supervisory Board 2. Risk Committee 3. Audit Committee 4. Remuneration Control Committee (*Vergütungskontrollausschuss*) 5. Nomination Committee 6. Grants Committee (Chairman)
	Deutsche Hypothekenbank (Actien-Gesellschaft)	1. Supervisory Board 2. Credit- and Risk Committee 3. Nomination Committee 4. Remuneration Committee (*Vergütungskontrollausschuss*) 5. Audit Committee (Chairman)

The Members of the Managing Board may be contacted at NORD/LB's business address.

The Supervisory Board

The Supervisory Board shall advise the Managing Board and monitor its management.

The following chart shows the members of the Supervisory Board and the main mandates they hold outside the Issuer:

Name	Company	Mandates (outside activities)
Peter-Jürgen Schneider, Minister of Finance of the German Federal State of Lower Saxony (Chairman)	Bremer Landesbank	Supervisory Board
	Deutsche Messe AG	Supervisory Board
	Salzgitter AG	Supervisory Board
	Kreditanstalt für Wiederaufbau	Administrative Board
Thomas Mang, President of Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*) (First Deputy Chairman)	Berlin Hyp AG	Supervisory Board
	Braunschweigische Landessparkasse	Administrative Board (Second Deputy Chairman)
	Bremer Landesbank	Supervisory Board
	DekaBank Deutsche Girozentrale	Administrative Board (Second Deputy Chairman)
	Landesbank Berlin AG	Supervisory Board
	Landwirtschaftliche Brandkasse Hannover	Supervisory Board
	LBS Norddeutsche Landesbausparkasse	Supervisory Board
	Provinzial Lebensversicherung Hannover	Supervisory Board
André Schröder, Minister of Finance of the German Federal State of Saxony-Anhalt (Second Deputy Chairman)	Investitionsbank Sachsen-Anhalt	Administrative Board
	Mitteldeutsche Flughafen AG	Supervisory Board
Frank Berg, Chairman of the Managing Board of OstseeSparkasse Rostock	Neue Leben Holding AG	Supervisory Board
Norbert Dierkes, Chairman of the Managing Board of Sparkasse Jerichower Land	-	-
Edda Döpke, bank employee of Norddeutsche Landesbank – Girozentrale –	Braunschweigische Landessparkasse	Administrative Board

Name	Company	Mandates (outside activities)
Dr. Elke Eller, member of the Executive Board, Group HR and Labour Director, TUI AG	-	-
Frank Hildebrandt, bank employee of Norddeutsche Landesbank – Girozentrale –	Braunschweigische Landessparkasse	Administrative Board
Professor Dr. Susanne Knorre, Management Consultant	Deutsche Bahn AG	Supervisory Board
	Rütgers Germany GmbH	Supervisory Board
	STEAG GmbH	Supervisory Board
Ulrich Mädge, Mayor of the City of Lüneburg	AVACON AG	Supervisory Board
	Provinzial Lebensversicherung Hannover	Supervisory Board
	Sparkasse Lüneburg	Administrative Board
	Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*)	Association Conference (First Deputy Chairman) Association Board (First Deputy Chairman)
Ulrich Markurt Mayor of the City of Braunschweig	Braunschweigische Landessparkasse	Administrative Board (Chairman)
Ludwig Momann Chairman of the Managing Board of Sparkasse Emsland	DekaBank Deutsche Girozentrale	Administrative Board
	Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*)	Association Conference (Second Deputy Chairman) Association Board (Second Deputy Chairman)
	Provinzial Lebensversicherung Hannover	Supervisory Board
Antje Niewisch-Lennartz, Minister of Justice of the German Federal State of Lower Saxony	Deutsche Messe AG	Supervisory Board

Name	Company	Mandates (outside activities)
Frank Oppermann bank employee of Norddeutsche Landesbank – Girozentrale –	Braunschweigische Landessparkasse	Administrative Board
Freddy Pedersen, Assistant Managing Director of ver.di (*Vereinte Dienstleistungsgewerkschaft*)	Braunschweigische Landessparkasse	Administrative Board
	Öffentliche Versicherung Braunschweig	Supervisory Board
Jörg Reinbrecht, Union Secretary of ver.di (*Vereinte Dienstleistungsgewerkschaft*)	LBS Norddeutsche Landesbausparkasse	Supervisory Board
	Santander Consumer Bank AG	Supervisory Board
	Santander Consumer Holding	Supervisory Board
Stefanie Rieke bank employee of Norddeutsche Landesbank – Girozentrale –	Investitionsbank Sachsen-Anhalt	Aufsichtsrat
Felix von Nathusius, Chief Executive Officer of IFA ROTORION – Holding GmbH	-	-

The Members of the Supervisory Board may be contacted at NORD/LB's business address.

The Owners' Meeting (Trägerversammlung)

The Owners' Meeting represents the Owners of the Issuer.

The members of the Owners' Meeting hold the following main mandates outside the Issuer:

Name	Company	Mandates (outside activities)
Thomas Mang, President of Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*) (Chairman of the Owners' Meeting (*Trägerversammlung*))	Berlin Hyp AG	Supervisory Board
	Braunschweigische Landessparkasse	Administrative Board (Second Deputy Chairman)
	Bremer Landesbank	Supervisory Board
	DekaBank Deutsche Girozentrale	Administrative Board (Second Deputy Chairman)

Name	Company	Mandates (outside activities)
	Landesbank Berlin AG	Supervisory Board
	Landwirtschaftliche Brandkasse Hannover	Supervisory Board
	Provinzial Lebensversicherung Hannover	Supervisory Board
Frank Berg, Chairman of the Managing Board of OstseeSparkasse Rostock (First Deputy Chairman of the Owner's Meeting (*Trägerversammlung*))	-	-
Frank Bannert, District Administrator (*Landrat*) of the District of Saalekreis (Second Deputy Chairman of the Owner's Meeting (*Trägerversammlung*))	-	-
Ulrich Böckmann, Principal (*Ministerialrat*) of the Ministry of Finance of the German Federal State of Lower Saxony	-	-
Frank Doods, State Secretary (*Staatssekretär*) of the Ministry of Finance of the German Federal State of Lower Saxony	-	-
Dr. Ingolf Lange, Principal (*Ministerialrat*) in the Ministry of Finance of the German Federal State of Saxony-Anhalt	-	-
Michael Richter, State Secretary (*Staatssekretär*) of the Ministry of Finance of the German Federal State of Saxony-Anhalt	-	-
Norbert Dierkes, Chairman of the Managing Board of Sparkasse Jerichower Land	-	-
Silke Korthals, Chairwoman of the Managing Board of Kreissparkasse Verden	-	-

The Members of the Owners' Meeting may be contacted at NORD/LB's business address.

No Conflicts of interests of administrative, management, and supervisory bodies

As of the date of this Registration Document, there are to the knowledge of the Issuer, no conflicts of interest or potential conflicts of interest of members of the administrative, management and supervisory bodies between their duties to the Issuer– and their private interests or other duties.

The Issuer has established comprehensive mechanisms and regulatory procedures in order to ensure that conflicts of interest are avoided.

1.2.9. Owners of the Issuer

The Bank's owners are the federal states of Lower Saxony and Saxony-Anhalt, the Savings Banks Association of Lower Saxony, Hanover (*Sparkassenverband Niedersachsen*, "**SVN**"), the Holding Association of the Savings Banks of Saxony-Anhalt (*Sparkassenbeteiligungsverband Sachsen-Anhalt*) and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania (*Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern*).The amount of share capital is determined by the Owner's Meeting.

The issued capital amounts to Euro 1,607,257,810, with the federal state of Lower Saxony holding 59.13 per cent (of which around 33.44 per cent is held in trust for federal-state-owned Hannoversche Beteiligungsgesellschaft mbH, Hanover), the federal state of Saxony-Anhalt, holding around 5.57 per cent., the SVN around 26.36 per cent, the Holding Association of the Savings Banks of Saxony-Anhalt around 5.28 per cent. and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania around 3.66 per cent.

1.3. Financial information on the asset, financial and earnings position

1.3.1. Historical financial information

The Consolidated Financial Statements 2015 [4] and 2016 and the respective auditor's reports (Bestätigungsvermerke) as well as the Annual Accounts 2016 and the respective auditor's report (*Bestätigungsvermerk*) are incorporated by reference, (see in each case section 2.5. "*Incorporation by reference*" of this registration document).

The financial information contained in this Registration Document provides a true and fair view of the financial position of NORD/LB Group in accordance with the applicable accounting policies.

The Consolidated Financial Statements 2015 and the Consolidated Financial Statements 2016 were prepared in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB. The Annual Accounts 2016 were prepared in accordance with German GAAP.

The Consolidated Financial Statements 2015 and the Consolidated Financial Statements 2016 and the respective auditor's reports (*Bestätigungsvermerke*) contained in this Registration Document have been taken from the annual report (*Geschäftsbericht)* of NORD/LB Group for the financial year 2015 and the financial year 2016 (see section *2.* "Important Information 2.4. Availability of documents").

The Annual Accounts 2016 and the auditor's report (*Bestätigungsvermerk*) have been taken from the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2016 (see section *2.* "Important Information 2.4. Availability of documents").

The auditor's reports (*Bestätigungsvermerke*) with respect to the Consolidated Financial Statements 2015 and the Consolidated Financial Statements 2016 were issued in accordance with Section 322

[4] The German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung* – DPR) announced in its letter of 19 January 2017 that it intends to perform a review of the consolidated financial statements as at 31 December 2015 and the associated Group management report for the 2015 financial year because of the "risk provisioning" item, in accordance with § 342b (2), sentence three, no. 2 of the German Commercial Code (Inspection upon request of the Federal Financial Supervisory Authority). No reasonable estimate can be made with regard to the financial effects resulting from the initiation of this review in the 2017 financial year because the type and scope of the largely internal resources that will be committed to it cannot yet be reliably estimated.

HGB on the audited consolidated financial statements and the group management reports (*Konzernlageberichte*) each as a whole, respectively. The respective group management reports *(Konzernlageberichte)* for 2015 and 2016 are neither included nor incorporated by reference in this Registration Document.

The auditor's report (*Bestätigungsvermerk*) with respect to the Annual Accounts 2016 of Norddeutsche Landesbank – Girozentrale – was issued in accordance with Section 322 HGB on the unconsolidated financial statements and the management report (*Lagebericht*) as a whole. The management report is neither included nor incorporated by reference in this Registration Document.

1.3.2. Court and arbitration proceedings

As a result of its extensive business activities, Norddeutsche Landesbank – Girozentrale – may regularly be involved in a range of different court proceedings concerning a variety of transactions.

The German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung* – DPR) announced in its letter of 19 January 2017 that it intends to perform a review of the consolidated financial statements as at 31 December 2015 and the associated Group management report for the 2015 financial year because of the "risk provisioning" item, in accordance with § 342b (2), sentence three, no. 2 of the German Commercial Code (Inspection upon request of the Federal Financial Supervisory Authority). No reasonable estimate can be made with regard to the financial effects resulting from the initiation of this review in the 2017 financial year because the type and scope of the largely internal resources that will be committed to it cannot yet be reliably estimated.

There have been no further governmental, legal or arbitration proceedings in the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Norddeutsche Landesbank – Girozentrale – or NORD/LB Group nor is Norddeutsche Landesbank – Girozentrale – aware of any such proceedings being pending or threatened.

1.3.3. Significant changes in the financial position

Since the date of its last published audited annual financial statements of 31 December 2016, there have been the following significant changes in the financial position of the Issuer and NORD/LB Group:
Effective as of 1 January 2017, NORD/LB acquired the outstanding non-controlling interests (45.2 per cent) of Bremer Landesbank, and now owns 100 per cent of shares in Bremer Landesbank. Effective on the same date, a controlling agreement with a loss compensation obligation was concluded between NORD/LB and Bremer Landesbank, and a letter of comfort was issued in favour of the Bremer Landesbank.
Triggered by risk provisioning in the shipping segment adapted to changed income expectations resulting from a further deterioration of the market situation, Bremer Landesbank recorded a net loss of about € 1.4 billion before taxes in 2016 which is already included in the Annual Report of NORD/LB Group for the Financial Year 2016. Subsequently, a capital increase of € 400.0 million became necessary for Bremer Landesbank.
Bremer Landesbank has applied for a waiver in accordance with § 2a para. 1 and 2 of the German Banking Act (KWG) in conjunction with Art. 7 para. 1 CRR in order to obtain relief from capital requirements which was approved on 31 March 2017.
On 6 April 2017 the Management Board of NORD/LB has resolved to strive for a merger between NORD/LB and Bremer Landesbank within the calendar year 2017 and to initiate all necessary steps in such respect.

1.3.4. Material contracts

In the usual course of its business, Norddeutsche Landesbank – Girozentrale – enters into numerous contracts with various other entities. However, Norddeutsche Landesbank – Girozentrale – has not, entered into any material contracts outside the ordinary course of its business.

1.3.5. Regulatory key figures

Regulatory requirements concerning minimum capital

According to EU Regulation No. 575/2013 on Regulatory Requirements for Banks and Securities Firms (CRR), NORD/LB must, at both the individual institution level and at Group level, comply with legally prescribed minimum equity ratios for the supervisory capital ratios Common Equity Tier 1 capital, Tier 1 capital and own funds and have a gradually increasing capital buffer by 2019, whereby the numerator is the relevant equity ratio and the denominator is the relevant total risk exposure amount according to Art. 92 para. 3 CRR. In the 2016 reporting year, the minimum equity ratios pursuant to the CRR were as follows: Common Equity Tier 1 capital 4.5 per cent, Tier 1 capital 6.0 per cent and own funds 8.0 per cent. In 2016, the required capital conservation buffer was 0.625 per cent.

In addition to these statutory minimum equity ratios, the European Central Bank (ECB) as the supervisory authority responsible for NORD/LB at Group level ,required that for the period from 1 January 2016 to 30 December 2016 an individual minimum equity ratio of 9.25 per cent be maintained in respect of Common Equity Tier 1 in accordance with the CRR methodology, taking into account the transitional provisions. As at 31 December 2016, this minimum ratio rose to 9.75 per cent and included the capital conservation buffer that has been a statutory requirement since the start of 2016.

With effect from the start of 2017, the ECB modified the definition and amount of this a minimum ratio. Excluding the capital buffer, the total capital ratio requirement arising from the Supervisory Reporting Process (SREP) for the NORD/LB Group is 10.25 per cent. In addition to the statutory minimum capital ratio of 8 per cent., this includes a requirement of 2.25 per cent that must consist entirely of Common Equity Tier 1 capital. In addition, in 2017 NORD/LB must observe the statutory capital conservation buffer of 1.25 per cent, and, as a national institution of systemic importance, must also maintain a capital buffer for other institutions of systemic importance of 0.33 per cent. Both capital buffers must be covered from Common Equity Tier 1 capital and result in a total requirement of 8.33 per cent of Common Equity Tier 1 capital at Group level.

LCR

As of 31 December 2016 the LRC of NORD/LB Group currently amounts to 110.3 per cent.

2. IMPORTANT INFORMATION

2.1. Responsibility

Norddeutsche Landesbank – Girozentrale – with its registered offices in Hanover, Braunschweig and Magdeburg accepts responsibility for the information contained in this registration document and declares that the information contained in this document is, to the best of its knowledge, in accordance with the facts and that no material circumstances have been omitted.

2.2. Third party information

The information relating to ratings and ratings definitions contained in this Registration Document has been sourced from third parties. The Issuer confirms that this information has been accurately reproduced and that – as far as the Issuer is aware and is able to ascertain from information published by that third party – no facts have been omitted which would render the reproduced information inaccurate or misleading. Apart from this no further information or statements contained in this Registration Document have been sourced from a third party.

2.3. BaFin Approval

This registration document has been approved by BaFin (the approval of documents by BaFin in accordance with Section 13 (1) German Securities Prospectus Act (*Wertpapierprospektgesetz*) only refers to completeness by means of coherence of the information given and its comprehensibility).

2.4. Availability of documents

As long as this registration document is valid, Norddeutsche Landesbank – Girozentrale – will provide copies of the following documents to be viewed upon request at the registered office at Norddeutsche Landesbank – Girozentrale -, Friedrichswall 10, 30159 Hanover during opening hours:

- the annual report (*Geschäftsbericht*) of NORD/LB Group for the financial years 2015 and 2016; each containing the consolidated financial statements for the corresponding financial years 2015 and 2016;

- the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2016; containing the Annual Accounts 2016;

- the Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale – as amended on 3 April 2017;

- the State Treaty between the German Federal States of Lower Saxony (*Niedersachsen*), Saxony-Anhalt (*Sachsen-Anhalt*) and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*) dated 22 August 2007, as amended on 12 July 2011.

The Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale –, the State Treaty, the Consolidated Financial Statements 2015 and the Consolidated Financial Statements 2016, the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2016 are available on request in printed form at the above mentioned address or in electronic form on http://www.nordlb.de.

2.5. Incorporation by reference

The following documents (together, the "**Documents**") shall be incorporated by reference into and form part of this Registration Document. Only the following mentioned parts of each of the Documents shall be incorporated into, and form part of, this Registration Document. The other parts within the respective Document are expressly not incorporated into, and do not form part of, this Registration Document. The non-incorporated parts are either not relevant for the investor or are covered elsewhere in the registration Document.

Document	**Pages**	**Reference Page in this Registration Document**
Annual Report (*Geschäftsbericht*) of NORD/LB Group for the Financial Year 2015		
Income Statement	130	33, 41
Statement of Comprehensive Income	131	33, 41
Balance Sheet	132 – 133	33, 41
Statement of Changes in Equity	134 – 135	33, 41
Cash Flow Statement	136 – 138	33, 41
Notes to the Consolidated Financial Statements	139 – 262	33, 41
Auditors Opinion	268	33, 41
Annual Report (*Geschäftsbericht*) of NORD/LB Group for the Financial Year 2016		
Income Statement	144	33, 41
Statement of Comprehensive Income	145	33, 41
Balance Sheet	146 – 147	33, 41
Statement of Changes in Equity	148 – 149	33, 41
Cash Flow Statement	150 – 152	33, 41
Notes to the Consolidated Financial Statements	153 – 275	33, 41
Auditors Opinion	279	33, 41

3. PAGE OF SIGNATURES

Hanover, 19 April 2017

NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

Signed	Signed
Michael Wulf	Mark Hoepfner